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Ontario. Legislative Assembly

JOURNALS

OF THE

Legislative Assembly

OF THE

PROVINCE OF ONTARIO

FROM THE 6TH FEBRUARY TO 17TH APRIL, 1924,
BOTH DAYS INCLUSIVE

*IN THE FOURTEENTH YEAR OF THE REIGN OF OUR
SOVEREIGN LORD KING GEORGE V*

BEING THE

First Session of the Sixteenth Legislature of Ontario

SESSION 1924

PRINTED BY ORDER OF THE LEGISLATIVE ASSEMBLY

VOL. LVIII



PROVINCE OF ONTARIO

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2. Bill (No. 139), introduced to amend, 103. Second reading and referred to Municipal Committee, 138. Reported and referred to Statute Revision Commission, 263.
3. Bill (No. 150), introduced to amend, 113. Second reading and referred to Municipal Committee, 133. Reported, 175. House goes into Committee on, 193. Third reading, 202. R.A., 297. (14 Geo. V. c. 57.)
4. Bill (No. 151), introduced to amend, 113. Second reading and referred to the Municipal Committee, 138. Reported and referred, 263.
5. Bill (No. 188), introduced to amend, 155. Second reading, 175. House goes into Committee on, 205. Third reading, 234. R.A., 297. (14 Geo. V. c. 57.)

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LONDON STREET RAILWAY ACT:

Bill (No. 211), introduced respecting, 183. Second reading, 205. House goes into Committee on, 280. Third reading, 286. R.A., 297. (14 Geo. V. c. 141.)

LORD DUFFERIN HOSPITAL:

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Bill (No. 64), introduced to amend, 21. Second reading, 63. House goes into Committee on, 65. Third reading, 142. R.A., 297. (14 Geo. V. c. 40.)

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MIDLAND Y.M.C.A.:

Petition for Act to incorporate, 25. Reported, 69. Bill (No. 46), introduced and referred, 70. Reported; fees remitted, 110. Second reading, 133. House goes into Committee on, 159. Third reading, 169. R.A., 297. (14 Geo. V. c. 147.)

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MINING ACT:

Bill (No. 66), introduced to amend, 22. Second reading, 64. House goes into Committee on, 66. Third reading, 169. R.A., 297. (14 Geo. V. c. 18.)

MINING COURT OF ONTARIO:

Bill (No. 212), introduced, 183. Second reading, 229. House goes into Committee on, 248. Third reading, 285. R.A., 297. (14 Geo. V. c. 21.)

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MINING LANDS AND RIGHTS:

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MINING TAX ACT:

Bill (No. 94), introduced to amend, 58. Second reading, 81. House goes into Committee on, 100. Third reading, 169. R.A., 297. (14 Geo. V. c. 10.)

MORTGAGES ACT:

Bill (No. 68), introduced to amend, 26. Second reading, 64. House goes into Committee on, 67. Third reading, 142. R.A., 297. (14 Geo. V. c. 37.)

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MUNICIPAL CORPORATIONS:

Bill (No. 164), introduced respecting the granting of Bonuses by, 132. Second reading, 143. House goes into Committee on, 156. Third reading, 260. R.A., 297. (14 Geo. V. c. 56.)

MUNICIPAL FRANCHISE ACT:

Bill (No. 137), introduced to amend, 103. Second reading and referred to the Municipal Committee, 176. Reported, 204. House goes into Committee on, 230. Third reading, 235. R.A., 297. (14 Geo. V. c. 54.)

MUNICIPAL LAW:

1. Bill (No. 70), introduced to amend, 76. Order for second reading discharged, 173.
2. Bill (No. 72), introduced to amend, 27. Second reading and referred to the Municipal Committee, 63. Reported, 263.
3. Bill (No. 88), introduced to amend, 58. Second reading and referred to the Municipal Committee, 85. *No report.*
4. Bill (No. 89), introduced to amend, 58. Second reading and referred to the Municipal Committee, 85. Reported, 263.
5. Bill (No. 92), introduced to amend, 58. Second reading and referred to the Municipal Committee, 85. Reported, 263.
6. Bill (No. 95), introduced to amend, 59. Second reading and referred to the Municipal Committee, 85. *No report.*
7. Bill (No. 98), introduced to amend, 61. Second reading and referred to the Municipal Committee, 85. Reported, 263.
8. Bill (No. 108), introduced to amend, 71. Second reading and referred to the Legal Committee, 133. Reported, 197. House goes into Committee on, 230. Third reading, 235. *Consolidated with General Act. See below, 26.*
9. Bill (No. 116), introduced to amend, 80. Second reading and referred to the Municipal Committee, 101. Reported, 263.

10. Bill (No. 121), introduced to amend, 80. Order for second reading discharged, 100.
11. Bill (No. 127), introduced to amend, 86. Second reading and referred to the Municipal Committee, 101. Reported, 263.
12. Bill (No. 131), introduced to amend, 87. Second reading and referred to the Municipal Committee, 117. Reported, 263.
13. Bill (No. 133), introduced to amend, 100. Second reading and referred to the Municipal Committee, 114. Reported, 263.
14. Bill (No. 134), introduced to amend, 102. Second reading and referred to the Municipal Committee, 114. *No report.*
15. Bill (No. 138), introduced to amend, 103. Order for second reading discharged, 155.
16. Bill (No. 142), introduced to amend, 108. Second reading and referred to the Municipal Committee, 138. Reported, 263.
17. Bill (No. 143), introduced to amend, 108. Second reading and referred to the Municipal Committee, 133. Reported, 263.
18. Bill (No. 155), introduced to amend, 116. Second reading and referred to the Municipal Committee, 173. Reported, 263.
19. Bill (No. 157), introduced to amend, 126. Second reading and referred to the Municipal Committee, 138. *No report.*
20. Bill (No. 160), introduced to amend, 132. Second reading and referred to the Municipal Committee, 235. Reported, 263.
21. Bill (No. 161), introduced to amend, 132. Second reading and referred to the Municipal Committee, 158. Reported, 263.
22. Bill (No. 162), introduced to amend, 132. Second reading and referred to the Municipal Committee, 173. Reported, 263.
23. Bill (No. 168), introduced to amend, 132. Second reading and referred to the Municipal Committee, 159. Reported, 263.
24. Bill (No. 178), introduced to amend, 138. Second reading and referred to the Municipal Committee, 155. Reported, 263.
25. Bill (No. 196), introduced to amend, 164. Second reading and referred to the Municipal Committee, 191. Reported, 263.
26. Bill (No. 231), "The Municipal Amendment Act, 1924," introduced and read a first and second time, 264. House goes into Committee on, 279. Third reading, 286. R.A., 297. (14 Geo. V. c. 53.)

27. Committee to be appointed, 19. Appointed, 44, 56. Report, 112, 158, 174, 204, 259, 263.

MUNICIPAL TAX EXEMPTION ACT:

- Bill (No. 79), introduced to repeal, 40. Second reading and referred to Municipal Committee, 73. Reported, 204. House goes into Committee on, 240. Third reading, 260. R.A., 297. (14 Geo. V., c. 60.)

MUNICIPAL WATER WORKS AND GAS SYSTEMS:

- Report presented, 290. (*Sessional Papers, No. 43.*)

NATURAL GAS CONSERVATION ACT:

- Bill (No. 221), introduced to amend, 192. Second reading on Division, 244-5. House goes into Committee on, 248. Third reading, 285. R.A., 297. (14 Geo. V. c. 74.)

NEEBING, MUNICIPALITY OF:

- Petition for Act respecting, 79. Reported, 82. Bill (No. 107), introduced and referred, 87. Reported, 124. Second reading, 138. House goes into Committee on, 150. Third reading, 169. R.A., 297. (14 Geo. V. c. 106.)

NEWMARKET, TOWN OF:

- Petition for Act respecting, 158. *Not proceeded with.*

NEW TORONTO:

- Petition for Act respecting, 25. Reported, 82. Bill (No. 30), introduced and referred, 111. Reported, 258. Second reading, 277. House goes into Committee on, 278. Third reading, 286. R.A., 297. (14 Geo. V. c. 107.)

NIAGARA FALLS, CITY OF:

- Petition for Act respecting, 60. Reported, 125. Bill (No. 84), introduced and referred, 164. Reported, 242. Second reading, 265. House goes into Committee on, 266. Third reading, 285. R.A., 297. (14 Geo. V. c. 108.)

NIPIGON POWER DEVELOPMENT:—See *Pic River.*

NORTHERN ONTARIO:

1. Bill (No. 61), introduced to provide for a Legal Secretary for, 21. Resolution introduced; Lieutenant-Governor's recommendation signified; passed through Committee and referred to Bill, 140. Second reading, 140. House goes into Committee on, 150. Third reading, 169. R.A., 297. (14 Geo. V. c. 6.)
2. Motion that action be taken to provide proper Hospital facilities in; withdrawn, 287.

NORTHERN AND NORTHWESTERN DEVELOPMENT ACT:

Bill (No. 195), introduced to amend, 161. Second reading, 176. House goes into Committee on, 188. Third reading, 234. R.A., 297. (14 Geo. V. c. 14.)

NORTH BAY, TOWN OF:

Petition for Act respecting, 25. Reported, 82. Bill (No. 9), introduced and referred to the Railway and Municipal Board, 82. Reported and referred to Private Bills Committee, 130. Reported, 204. Second reading, 235. House goes into Committee on, 246. Third reading, 260. R.A., 297. (14 Geo. V. c. 109).

NORTH YORK, TOWNSHIP OF:

Petition for Act respecting, 41. Reported, 69. Bill (No. 43), introduced and referred, 71. Reported, 111. Second reading, 133. House goes into Committee on, 150. Third reading, 169. R.A., 297. (14 Geo. V. c. 139.)

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OJIBWAY, TOWN OF:

Petition for Act respecting, 25. Reported, 55. Bill (No. 26), introduced and referred, 57. Reported, 124. Second reading, 143. House goes into Committee on, 159. Third reading, 170. R.A., 297. (14 Geo. V. c. 111.)

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ONTARIO ATHLETIC COMMISSION:

Report presented, 102. (*Sessional Papers, No. 59.*)

ONTARIO COMPANIES ACT:

1. Bill (No. 183), introduced to amend, 154. Second reading and referred to Legal Committee, 176. Reported, 181. House goes into Committee on, 193. Third reading, 284. R.A., 297. (14 Geo. V. c. 47.)
2. Bill (No. 217), introduced, 190. Second reading, 235. House goes into Committee on, 248. Third reading, 285. R.A., 297. (14 Geo. V. c. 47.)

ONTARIO ELECTIONS ACT:

Bill (No. 132), introduced to amend, 87. Second reading and referred to the Legal Committee, 132. Reported, 181. House goes into Committee on, 232. Third reading, 234. R.A., 297. (14 Geo. V. c. 4.)

ONTARIO HIGHWAYS ACT:

Bill (No. 123), introduced to amend, 81. Second reading, 99. House goes into Committee on, 157. Third reading, 233. R.A., 297. (14 Geo. V. c. 8.)

ONTARIO LAND SURVEYORS ACT:

Bill (No. 205), introduced to amend, 183. Second reading and referred to the Legal Committee, 228. Reported, 263. House goes into Committee on, 279. Third reading, 286. R.A., 297. (14 Geo. V. c. 44.)

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ONTARIO RAILWAY ACT:

1. Bill (No. 75), introduced to amend, 40. Second reading, 64. House goes into Committee on, 67. Third reading, 142. R.A., 297. (14 Geo. V. c. 51.)
2. Bill (No. 122), introduced to amend, 81. Second reading and referred to the Railway Committee, 98. Reported, 187. House goes into Committee on, 230. Third reading, 234. R.A., 297. (14 Geo. V. c. 51.)

ONTARIO RAILWAY AND MUNICIPAL BOARD:

1. Report presented, 247. (*Sessional Papers, No. 46.*)
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ONTARIO TELEPHONE ACT:

Bill (No. 100), introduced to amend, 61. Second reading, 99. House goes into Committee on, 150. Third reading, 169. R.A., 297. (14 Geo. V. c. 52.)

ONTARIO TEMPERANCE ACT:

1. Bill (No. 101), introduced to amend, 61. Motion for second reading and six months' hoist proposed and Debate on adjourned, 111-12. Debate resumed and amendment to amendment put and defeated, 127-8. Second reading carried on Division, 128-9. House goes into Committee on, 134. Third reading, 143. R.A., 297. (14 Geo. V. c. 65.)
2. Bill (No. 200), introduced to amend, 175. Second reading, 191. House goes into Committee on, 241. Third reading, 285. R.A., 297. (14 Geo. V. c. 65.)
3. Bill (No. 193), introduced to amend, 161. Motion for second reading defeated, 177.
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7. Question as to what quantity of liquor being handed over to one Reinhardt, 93.
8. Question as to prosecution of O'Keefe & Co. and John Labatt & Co., for breaches of, 94.
9. Question as to one Costello being on Provincial Police Force, 95.
10. Question as to how many informations laid in Toronto Police Court against hotel keepers for offences against, 146.
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14. Report presented, 289. (*Sessional Papers, No. 28.*)

ONTARIO VETERINARY COLLEGE:

Report presented, 110. (*Sessional Papers, No. 46.*)

ONTARIO VOTERS' LISTS ACT:

Bill (No. 99), introduced to amend, 61. Second reading and referred to the Municipal Committee, 85. Reported, 175. House goes into Committee on, 184. Third reading, 234. R.A., 297. (14 Geo. V. c. 4.)

ORILLIA, TOWN OF:

Petition for Act respecting, 25. Reported, 70. Bill (No. 45), introduced and referred, 71. Reported, 136. Second reading, 172. House goes into Committee on, 184. Third reading, 190. R.A., 297. (14 Geo. V. c. 112.)

OSHAWA, CITY OF:

Petition for Act respecting, 25. Reported, 70. Bill (No. 51), introduced and referred, 71. Reported, 124. Second reading, 133. House goes into Committee on, 150. Third reading, 169. R.A., 297. (14 Geo. V. c. 113.)

OTTAWA, CITY OF:

Petition for Act respecting, 25. Reported, 106. Bill (No. 52), introduced and referred, 107. Reported, 136. Second reading, 159. House goes into Committee on, 171. Third reading, 190. R.A., 297. (14 Geo. V. c. 114.)

OTTAWA ELECTRIC RAILWAY COMPANY:

Petition for Act respecting, 52. Reported, 106. Bill (No. 25), introduced and referred, 107. Reported and recommitted, 136. Reported, 174. Second reading, 203. House goes into Committee on, 231. Third reading, 235. R.A., 297. (14 Geo. V. c. 143.)

OTTAWA ROYAL SANATORIUM:

Petition for Act respecting, 30. Reported, 82. Bill (No. 44), introduced and referred, 83. Reported; fees remitted, 174. Second reading, 191. House goes into Committee on, 202. Third reading, 234. R.A., 297. (14 Geo. V. c. 152.)

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Petition for Act respecting, 42. Reported, 153. Bill (No. 56), introduced and referred, 154. Reported, 174. Second reading, 185. House goes into Committee on, 190. Third reading, 202. R.A., 297. (14 Geo. V. c. 115.)

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PHARMACY ACT:

Bill (No. 185), introduced to amend, 154. Second reading and referred to the Private Bills Committee, 173. Reported, 263. House goes into Committee on, 279. Third reading, 286. R.A., 297. (14 Geo. V. c. 43.)

PIC RIVER AND BLACK STURGEON RIVER PULP LIMITS:

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PLANNING AND DEVELOPMENT ACT:

Bill (No. 148), introduced to amend, 113. Second reading and referred to Municipal Committee, 155. Reported, 175. House goes into Committee on, 184. Third reading, 190. R.A., 297. (14 Geo. V. c. 58.)

POINT EDWARD, VILLAGE OF:

1. Petition for Act respecting, 25. Reported, 124. Bill (No. 20), introduced and referred, 125. Reported, 205. Second reading, 235. House goes into Committee on, 246. Third reading, 260. R.A., 297. (14 Geo. V. c. 116.)
2. Petition for Act respecting, 100. Reported, 125. Bill (No. 42), introduced and referred, 126. Reported, 233. Second reading, 246. House goes into Committee on, 265. Third reading, 285. R.A., 297. (14 Geo. V. c. 117.)

POLICE MAGISTRATES ACT:

Bill (No. 199), introduced to amend, 169. Second reading, 176. House goes into Committee on, 199. Third reading, 234. R.A., 297. (14 Geo. V. c. 33.)

POWER COMMISSION ACT:

Bill (No. 190), introduced to amend, 155. Second reading, 176. House goes into Committee on, 247, 262, 283. Third reading, 283. R.A., 297. (14 Geo. V. c. 23.)

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1. Bill (No. 114), introduced to amend, 80. Second reading and referred to the Municipal Committee, 98. Reported, 175. House goes into Committee on, 203. Third reading, 234. R.A., 297. (14 Geo. V. c. 68.)
2. Bill (No. 124), introduced to amend, 83. Second reading and referred to the Municipal Committee, 98. *No report.*
3. Bill (No. 156), introduced to amend, 126. Order for second reading discharged, 177.

PUBLIC HIGHWAYS:

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PUBLIC OFFICERS' FEES ACT:

Bill (No. 76), introduced to amend, 40. Second reading, 64. House goes into Committee on, 66. Third reading, 142. R.A., 297. (14 Geo. V. c. 8.)

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3. Bill (No. 144), introduced to amend, 108. Second reading and referred to the Legal Committee, 133. Reported, 197. House goes into Committee on, 230. Third reading, 235. R.A., 297. (14 Geo. V. c. 38.)

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| Insane and Feeble-Minded, Hospitals for, Report..... | 22 | " |
| Insurance, Report..... | 10 | " |
| Labour, Report..... | 16 | <i>Printed.</i> |
| Lands and Forests, Report..... | 3 | " |
| Legal Offices, Report..... | 6 | " |
| Library, Report..... | 45 | <i>Not Printed.</i> |
| Live Stock Branch, Report..... | 36 | <i>Printed.</i> |
| Loan Corporations, Report..... | 12 | <i>Not Printed.</i> |
| Mines, Report of Department..... | 4 | <i>Printed.</i> |
| Mining Industry, Report..... | 61 | " |
| Mothers' Allowance, Report..... | 65 | " |
| Motor Vehicles, number purchased..... | 73 | <i>Not Printed.</i> |
| Municipal Water Works and Gas Systems, Report..... | 43 | <i>Printed.</i> |
| Neglected and Dependent Children, Report..... | 27 | <i>Printed.</i> |
| Ontario Athletic Commission, Report..... | 59 | <i>Not Printed.</i> |
| Ontario Provincial Police, Report..... | 57 | <i>Printed.</i> |
| Ontario Railway and Municipal Board, Report..... | 46 | " |
| Ontario Temperance Act, Report..... | 28 | " |
| Ontario Temperance Act, correspondence, <i>re</i> appointment of Inspectors..... | 68 | <i>Not Printed.</i> |
| Ontario Veterinary College, Report..... | 52 | <i>Printed.</i> |
| Parole, Report of Board of..... | 24 | <i>Printed.</i> |
| Probation Officers of County of York and Toronto..... | 53 | " |
| Provincial Loans, correspondence..... | 70 | <i>Not Printed.</i> |
| Provincial Municipal Auditor, Report..... | 8 | <i>Printed.</i> |
| Prisons and Reformatories, Report..... | 26 | " |
| Public Accounts..... | 1 | " |
| Public Highways, Report..... | 64 | " |
| Public Records and Archives, Report..... | 48 | " |
| Public Service Superannuation Board, Report..... | 5 | <i>Not Printed.</i> |
| Public Works, Report..... | 13 | <i>Printed.</i> |
| Queen Victoria Niagara Falls Park, Report..... | 9 | <i>Not Printed.</i> |
| Ramsden, J. G., correspondence..... | 63 | <i>Not Printed.</i> |
| Registry Offices, Report..... | 7 | <i>Print. d.</i> |
| Secretary and Registrar, Report..... | 19 | <i>Printed.</i> |
| Sentenced Persons Act, Report..... | 60 | <i>Not Printed.</i> |
| Statistics Branch, Report..... | 42 | <i>Printed.</i> |

| TITLE. | No. | REMARKS. |
|---|-----|---------------------|
| Statute Distribution, statement of | 67 | <i>Not Printed.</i> |
| Succession Duties in 1923. | 71 | “ |
| Superannuation, Civil Service, Report | 66 | “ |
| Temiskaming and N.O. Railway Commission, Report | 44 | <i>Printed.</i> |
| Toronto University, Report | 18 | “ |
| Vegetable Growers, Report. | 32 | <i>Printed.</i> |
| Women’s Institutes, Report. | 38 | <i>Printed.</i> |
| Workmen’s Compensation Board, Report. | 51 | “ |

LIST OF SESSIONAL PAPERS

Arranged in Numerical Order with their Titles at full length; the dates when presented to the Legislature; the name of the Member who moved the same, and whether ordered to be printed, or not.

- | | |
|--------|---|
| No. 1 | Public Accounts of the Province for the year ending 31st October, 1923. Presented to the Legislature, February 19th, 1924. <i>Printed.</i> |
| No. 2 | Estimates—Supplementary, for the service of the Province for the year ending 31st October, 1923. Presented to the Legislature, February 19th, 1924. <i>Printed.</i> Further Supplementary Estimates for the year ending October 31st, 1924. Presented to the Legislature, March 19th, 1924. <i>Printed.</i> Estimates for the year ending 31st October, 1925. Presented to the Legislature, March 25th, 1924. <i>Printed.</i> |
| No. 3 | Report of the Department of Lands and Forests for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 4 | Report of the Department of Mines for the year 1923. Presented to the Legislature, April 3rd, 1924. <i>Printed.</i> |
| No. 5 | Report of the Inspector of Division Courts for the year 1923. Presented to the Legislature, March 5th, 1924. <i>Printed.</i> |
| No. 6 | Report of the Inspector of Legal Offices for the year 1923. Presented to the Legislature, April 3rd, 1924. <i>Printed.</i> |
| No. 7 | Report of the Inspector of Registry Offices for the year 1923. Presented to the Legislature, March 21st, 1924. <i>Printed.</i> |
| No. 8 | Report of the Provincial Municipal Auditor for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 9 | Report of the Commissioners for the Queen Victoria Niagara Falls Park for the year 1923. Presented to the Legislature, April 4th, 1924. <i>Not Printed.</i> |
| No. 10 | Report of the Superintendent of Insurance and Registrar of Friendly Societies for the year 1923. Presented to the Legislature, March 26th, 1924. <i>Printed.</i> |
| No. 11 | Friendly Societies:—See <i>above.</i> 10. |

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| No. 12 | Report of the Registrar of Loan Corporations for the year 1923. Presented to the Legislature, March 26th, 1924. <i>Not Printed.</i> |
| No. 13 | Report of the Department of Public Works for the year 1923. Presented to the Legislature, March 10th, 1924. <i>Printed.</i> |
| No. 14 | Report of the Department of Game and Fisheries for the year 1923. Presented to the Legislature, April 3rd, 1924. <i>Printed.</i> |
| No. 15 | Statement showing all sums credited to the Highway Improvement Fund and all sums chargeable thereto for the year 1923. Presented to the Legislature, March 3rd, 1924. <i>Printed.</i> |
| No. 16 | Report of the Department of Labour for the year 1923. Presented to the Legislature, March 4th, 1924. <i>Printed.</i> |
| No. 17 | Report of the Department of Education for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 18 | Report of the Board of Governors of the University of Toronto for the year 1923. Presented to the Legislature, February 20th, 1924. <i>Printed.</i> |
| No. 19 | Report of the Secretary and Registrar of the Province for the year 1923. Presented to the Legislature, April 3rd, 1924. <i>Not Printed.</i> |
| No. 20 | Report relating to the Registration of Births, Marriages and Deaths for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 21 | Report of the Provincial Board of Health for the year 1923. Presented to the Legislature, March 3rd, 1924. <i>Printed.</i> |
| No. 22 | <i>See No. 23.</i> |
| No. 23 | Report upon the Hospitals for the Insane, Feeble-Minded and Epileptics for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 24 | Report of the Ontario Board of Parole for the year 1923. Presented to the Legislature, March 3rd, 1924. <i>Printed.</i> |
| No. 25 | Report upon the Hospitals and Charitable Institutions for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 26 | Report upon the Prisons and Reformatories of the Province for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |

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|--------|--|
| No. 27 | Report of the Superintendent of Neglected and Dependent Children of the Province for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Not printed.</i> |
| No. 28 | Report upon the operation of the Ontario Temperance Act for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 29 | Report of the Department of Agriculture for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 30 | Report of the Ontario Agricultural College for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 31 | Report of the Agricultural and Experimental Union for the year 1923. Presented to the Legislature, March 13th, 1924. <i>Printed.</i> |
| No. 32 | Report of the Ontario Vegetable Growers' Association for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 33 | Report of the Entomological Society of the Province for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 34 | Report of the Beekeepers' Association of the Province for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 35 | Report of the Dairymen's Association of the Province for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 36 | Report of the Live Stock Branch of the Department of Agriculture for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 37 | Report <i>re</i> Housing of the Bureau of Municipal Affairs for the year 1923. Presented to the Legislature, March 18th, 1924. <i>Printed.</i> |
| No. 38 | Report of the Women's Institutes of the Department of Agriculture for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 39 | Report of the Agricultural Societies and of the Convention of the Association of Fairs and Exhibitions for the year 1923. Presented to the Legislature, March 5th, 1924. <i>Printed.</i> |
| No. 40 | Report of the Horticultural Societies of the Province for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 41 | Report of the Fruit Growers' Association of the Province for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |
| No. 42 | Report of the Statistics Branch of the Department of Agriculture for the year 1923. Presented to the Legislature, April 17th, 1924. <i>Printed.</i> |

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- No. 43 Reports of the Municipal Water Works and Gas Systems of the Province for the year 1923. Presented to the Legislature, April 17th, 1924. *Printed.*
- No. 44 Report of the Temiskaming and N.O. Railway Commission for the year 1923. Presented to the Legislature, April 17th, 1924. *Printed.*
- No. 45 Report upon the state of the Library for the year 1923. Presented to the Legislature, April 2nd, 1924. *Not printed.*
- No. 46 Report of the Ontario Railway and Municipal Board. Presented to the Legislature April 3rd, 1924. *Printed.*
- No. 47 Return from the Records of the General Elections to the Legislative Assembly held on the 14th and 25th days of June, 1923, showing:—
(1) The number of Votes Polled for each Candidate in each Electoral District in which there was a contest; (2) The majority whereby each successful Candidate was returned; (3) The total number of Votes Polled; (4) The number of Votes remaining Unpolled; (5) The number of names on the Polling Lists; (6) The number of Ballot Papers sent out to each Polling Place; (7) The Used Ballot Papers; (8) The unused Ballot Papers; (9) The Rejected Ballot Papers; (10) The Cancelled Ballot Papers; (11) The Declined Ballot Papers; (12) The Ballot Papers taken from Polling Places; (13) A General Summary of Votes cast in each Electoral District. Also, Supplementary Return from the Records of the By-election held subsequently to the General Elections. Presented to the Legislature, February 6th, 1924. *Printed.*
- No. 48 Report of the Department of Public Records and Archives for the Province for the year 1923. Presented to the Legislature, April 8th, 1924. *Printed.*
- No. 49 Report of the Hydro-Electric Power Commission of the Province for the year 1923. Presented to the Legislature, April 17th, 1924. *Printed.*
- No. 50 Report of the Provincial Auditor for the year 1923. Presented to the Legislature, April 17th, 1924. *Not Printed.*
- No. 51 Report of the Workmen's Compensation Board for the year 1923. Presented to the Legislature, April 3rd, 1924. *Printed.*
- No. 52 Report of the Ontario Veterinary College for the year 1923. Presented to the Legislature, March 5th, 1924. *Printed.*
- No. 53 Report of Probation Officers of the County of York, including the City of Toronto, for the year 1923. Presented to the Legislature, April 17th, 1924. *Printed.*

- No. 54 Regulations and Orders-in-Council made since May 5th, 1923, under the authority of the Department of Education Act, or of the Acts relating to Public Schools, Separate Schools or High Schools. Presented to the Legislature, February 11th, 13th, March 17th. and April 8th, 1924. *Not Printed.*
- No. 55 Statement of the Legislative Grants for the year 1923 paid to the Rural Public and Separate Schools in the Counties and District and to the Urban Public and Separate Schools in the Counties and Districts which, in accordance with the provisions of the Amendment to the Schools Act, passed in 1922, were classed as Rural Schools and received grants as such. Presented to the Legislature, February 13th, 1924. *Not Printed.*
- No. 56 Report of Public Service Superannuation Board for the year 1923. Presented to the Legislature, February 18th, 1924. *Not Printed.*
- No. 57 Report of the Commissioner of the Ontario Provincial Police for the year 1923. Presented to the Legislature, February 22nd, 1924. *Printed.*
- No. 58 Report of the Agricultural Development Board for the year 1923. Presented to the Legislature, March 13th, 1924. *Printed.*
- No. 59 Report of the Ontario Athletic Commission and of the Auditor thereof, for the year 1923. Presented to the Legislature, February 22nd, 1924. *Not Printed.*
- No. 60 Report of the Commission under the Extra-mural Employment of Sentenced Persons Act, for the year 1923. Presented to the Legislature, March 3rd, 1924. *Printed.*
- No. 61 Report on the Mining Industry in that part of the Province served by the Temiskaming and Northern Ontario Railway Commission, for the years 1922 and 1923. Presented to the Legislature, March 3rd, 1924. *Printed.*
- No. 62 Reports of Walter Dymond Gregory, Michael John Haney and others appointed under Royal Commission bearing date the 13th day of April, 1922, to inquire into and report upon all estimates submitted from time to time to the Hydro-Electric Power Commission of Ontario for the Queenston-Chippawa Power Development, and also all estimates for the said work submitted by the said Commission to the Government of Ontario, etc., etc. Presented to the Legislature, March 13th, 1924. *Not Printed.*
- No. 63 Return to an Order of the House of February 22nd, 1924, that there be laid before House a Return showing (a) all correspondence between the Government, or any Member of it and Mr. J. G. Ramsden since the 15th of July last and (b) for a similar return of all correspondence (if any) since the said date between the

Hydro-Electric Power Commission of Ontario or the Chairman thereof and Mr. J. G. Ramsden. Presented to the Legislature, March 17th, 1924. *Mr. Raney. Not Printed.*

No. 64 Report of the Department of Public Highways for the year 1923. Presented to the Legislature, March 18th, 1924. *Printed.*

No. 65 Report of the Mothers' Allowance Commission for the year 1922-23. Presented to the Legislature, March 24th, 1924. *Printed.*

No. 66 Report of the Civil Service Commission for the year 1923. Presented to the Legislature, March 26th, 1924. *Not Printed.*

No. 67 Statement of Distribution of the Statutes for 1923. Presented to the Legislature, March 31st, 1924. *Not Printed.*

No. 68 Return to an Order of the House, dated 14th March, 1924, That there be laid before this House, a Return of all correspondence and papers relative to the appointment of the following inspectors under the Ontario Temperance Act: W. W. Forsythe, L. W. Roach, E. E. Orser, J. H. Bell, F. A. Jennings, James A. Costello. Presented to the Legislature, April 4th, 1924. *Mr. Raney. Not Printed.*

No. 69 Return to an Order of the House, dated 14th March, 1924, That there be laid before this House, a Return of copies of: 1. All correspondence between the present Government, or any member thereof, and A. E. Browning, K.C., lately Deputy Attorney-General of the Province of Saskatchewan. 2. All correspondence between the Attorney-General in the late Government and Mr. Browning. Presented to the Legislature, April 4th, 1924. *Mr. Raney. Not Printed.*

No. 70 Return to an Order of the House, dated 2nd April, 1924, That there be laid before this House, a Return of copies of all correspondence relative to a provincial loan or loans placed during the fiscal year ending 31st of October, 1919, with or through the Home Bank of Canada or any officer thereof. Presented to the Legislature, April 4th, 1924. *Mr. Lethbridge. Not Printed.*

No. 71 Return to an Order of the House of the Eleventh day of April, 1924, that there be laid before the House a Return, showing in detail (by Counties) the Estates from which Succession Duties came in the fiscal year ending October 31st, 1923. *Mr. Raney. Presented to the Legislature, April 17th, 1924. Not Printed.*

No. 72 Report on the Adoption Act, 1921, for the year 1923. Presented to the Legislature, April 17th, 1924. *Not Printed.*

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- No. 73 Return to an Order of the House of the 22nd day of February, 1924, that there be laid before the House a Return showing:—1. The number of motor vehicles purchased by the Government in each year since the first of such purchasing, giving (a) the name of each vehicle; (b) the price paid for the same; (c) the date of purchase; (d) the name of the person for whom purchased or who used the same; (e) the uses to which the same are put; and (f) the ultimate disposition of the motor vehicle. 2. The names of the chauffeurs appointed by the Province of Ontario since the first such employment, showing in each case (a) the duties of the chauffeur; (b) the hours of labour; (c) the salary paid to him; and (d) the amount allowed to him, in each year, for personal expenses. Presented to the Legislature, April 17th, 1924. *Mr. Jamieson (Grey). Not Printed.*
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PAPERS ORDERED BUT NOT BROUGHT DOWN

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| 2. Carrick, J. J., copy of agreement with, <i>re</i> extension of time to build mills. | 266 |
| 3. Civil Servants, return showing total number of, permanent and temporary, on July 15th, 1923..... | 277 |
| 4. Return showing how many appointments made to Civil Service, names, etc..... | 187 |
| 5. Correspondence as to submission to Electors of a Plebiscite or Referendum under O.T.A..... | 267 |
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JOURNALS
OF THE
LEGISLATIVE ASSEMBLY
OF THE
PROVINCE OF ONTARIO

Wednesday, February 6th, 1924.

PROCLAMATION.

Canada,
Province of
Ontario.

HENRY COCKSHUTT.

GEORGE FIFTH, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, KING, Defender of the Faith, Emperor of India, etc., etc., etc.

To Our Faithful, the Members elected to serve in the Legislative Assembly of Our Province of Ontario and to every of you—GREETING.

WILLIAM FOLGER NICKLE, {
Attorney-General. WHEREAS it is expedient for certain causes
and considerations to convene the Legislative
Assembly of Our said Province, WE DO WILL that you and each of you, and
all others in this behalf interested, on WEDNESDAY, the SIXTH day of the
month of FEBRUARY now next, at OUR CITY OF TORONTO, personally
be and appear for the DESPATCH OF BUSINESS, to treat, act, do and conclude
upon these things which, in Our Legislature of the Province of Ontario, by
the Common Council of Our said Province, may by the favour of God be
ordained. HEREIN FAIL NOT.

IN TESTIMONY WHEREOF, we have caused these Our Letters to be made Patent,
and the Great Seal of Our Province of Ontario to be hereunto affixed:
WITNESS, His Honour HENRY COCKSHUTT, LIEUTENANT-GOVERNOR

of Our Province of Ontario, at Our Government House, in the City of Toronto, in Our said Province, this TWENTY-EIGHTH day DECEMBER, in the year of Our Lord one thousand nine hundred and twenty-three, and in the Fourteenth year of Our Reign.

By Command,

C. F. BULMER,

Clerk of the Crown in Chancery.

This being the First day of the First Meeting of the Sixteenth Legislature of the Province of Ontario for the Despatch of Business, pursuant to a Proclamation of His Honour HENRY COCKSHUTT, Lieutenant-Governor—Arthur Henry Sydere, Esquire, Clerk of the Legislative Assembly, laid upon the Table of the House a Roll hereinafter fully set out, containing a list of the names of the Members who had been returned at the General Elections to serve in this Legislature; and having been appointed, *per dedimus potestatem*, a Commissioner for administering the Oaths to the Members, did administer the Oaths to the Members present; who, after having taken the Oath and subscribed the Roll, took their seats in the House.

SIXTEENTH GENERAL ELECTION.

OFFICE OF THE CLERK OF THE CROWN IN CHANCERY, ONTARIO.
Toronto, January 31st, 1924.

This is to certify that by reason of the Dissolution of the last Legislature on Thursday, the Tenth day of May, A.D. 1923, and in virtue of Writs of Election, dated on the Tenth day of May, A.D. 1923, issued by His Honour the Lieutenant-Governor, and addressed to the hereinafter named persons as Returning Officers for all the Electoral Districts in the Province of Ontario, for the election of Members to represent the several Electoral Districts in the Legislature of the Province, in the Parliament convened to meet on the Sixth day of February, A.D. 1924, the following named persons have been gazetted as duly elected to represent the Electoral Districts set opposite their respective names, as appears by the Returns to the said Writs, deposited of Record in my office, namely:—

| CONSTITUENCY Electoral District of | MEMBER ELECT. | RETURNING OFFICERS. |
|---------------------------------------|---------------------------------|---------------------|
| Addington..... | William David Black..... | W. A. Martin. |
| Algoma..... | Arthur Gladstone Wallis..... | R. T. Coleman. |
| Brant North..... | Harry Corwin Nixon..... | A. W. Eddy. |
| Brant South..... | Morrison Mann MacBride..... | R. G. Macdonald. |
| Brockville..... | Hezekiah Allen Clarke..... | Ernest A. Cummings. |
| Bruce North..... | William Henry Fenton..... | A. J. Crawford. |
| Bruce South..... | Malcolm Alexander McCallum..... | Bert. Cartwright. |

| CONSTITUENCY. | MEMBER ELECT. | RETURNING OFFICERS. |
|-----------------------|---------------------------------|-----------------------|
| Electoral District of | | |
| Bruce West..... | Alexander Patterson Mewhinney.. | John McDougal. |
| Carleton..... | Adam Holland Acres..... | Harold E. Wallace. |
| Chochrane..... | Malcolm Lang..... | Oliver Pause. |
| Dufferin..... | Charles Robert McKeown..... | W. A. Henry. |
| Dundas..... | Aaron Sweet..... | Mack Thorpe. |
| Durham East..... | Albert James Fallis..... | Jacob N. Greenaway. |
| Durham West..... | William John Bragg..... | M. J. Holman. |
| Elgin East..... | Michael McKnight..... | J. R. Teeple. |
| Elgin West..... | Finlay G. MacDiarmid..... | John A. Matheson. |
| Essex North..... | Edward Phillip Tellier..... | Achiel Mousseau. |
| Essex South..... | Adolphus Armstrong..... | B. A. Smith. |
| Fort William..... | Frank Spence..... | Fred E. Moore. |
| Frontenac..... | Anthony McGuin Rankin..... | J. F. L. Sproule. |
| Glengarry..... | James Alexander Sangster..... | John A. Macdonald. |
| *Grenville..... | Hon. George Howard Ferguson.. | George E. Johnston. |
| Grey Centre..... | Dougall Carmichael..... | Duncan McIntyre. |
| Grey North..... | David James Taylor..... | Russell Dobbie. |
| Grey South..... | David Jamieson..... | Michael E. Murray. |
| Haldimand..... | Richard Nixon Berry..... | Anderson Laidlaw. |
| Halton..... | George Hillmer..... | Wilbert Ford. |
| Hamilton East..... | Leeming Carr..... | Bert. Furey. |
| Hamilton West..... | Arthur Campbell Garden..... | Arthur Batttram. |
| Hastings East..... | James F. Hill..... | Thomas Curry. |
| Hastings North..... | John Robert Cooke..... | Robert A. Woods. |
| Hastings West..... | William Henry Ireland..... | Harry Bleecker. |
| Huron Centre..... | Ebon R. Wige..... | W. Alden McGavin. |
| Huron North..... | John Joynt..... | John Jamieson. |
| Huron South..... | Nelson William Trewartha..... | George W. Layton. |
| Kenora..... | Peter Heenan..... | George Doan. |
| Kent East..... | Manning W. Doherty..... | Walter S. Holmes. |
| Kent West..... | Robert Livingston Brackin..... | E. W. Hardey. |
| *Kingston..... | William Folger Nickle..... | H. D. Wightman. |
| Lambton East..... | Leslie Warner Oke..... | George J. Tedford. |
| Lambton West..... | Wilford Smith Haney..... | A. J. Johnston. |
| Lanark North..... | Thomas Alfred Thompson..... | William H. Robertson. |
| Lanark South..... | Egerton R. Stedman..... | J. E. Anderson. |
| Leeds..... | Andrew Wellington Gray..... | George F. Johnston. |
| †Lennox..... | John Perry Vrooman..... | Schuyler French. |
| Lincoln..... | Robert Henry Kemp..... | George Patterson. |
| London..... | Sir Adam Beck..... | Samuel Baker. |
| Manitoulin..... | Beniah Bowman..... | William Strain. |
| Middlesex East..... | John Willard Freeborn..... | George Bogue. |
| Middlesex North..... | George Adam Elliott..... | Phineas Dickens. |
| Middlesex West..... | John Giles Lethbridge..... | William Gallagher. |
| Muskoka..... | George Walter Ecclestone..... | John Shea. |
| Niagara Falls..... | William Gore Wilson..... | P. H. Shriner. |
| Nipissing..... | Harry Morel..... | George McGaughey. |
| Norfolk North..... | George David Sewell..... | Frank W. Cline. |

*Accepted office and re-elected.

†Departed this life on 20th August, 1923.

| CONSTITUENCY | MEMBER ELECT. | RETURNING OFFICERS. |
|-----------------------|---------------------------------|---------------------------|
| Electoral District of | | |
| *Norfolk South..... | John Strickler Martin..... | William Budd. |
| Northumberland | | |
| East..... | James F. B. Belford..... | George H. Huff. |
| Northumberland | | |
| West..... | Samuel Clarke..... | Thomas Hoskin. |
| Ontario North..... | John Wesley Widdifield..... | J. H. Purvis. |
| Ontario South..... | William E. N. Sinclair..... | Frank Chapman. |
| Ottawa East..... | Joseph Albert Pinard..... | Armand Laverdure. |
| Ottawa West..... | Harold Fisher..... | J. J. Groves. |
| Oxford North..... | David Munro Ross..... | George Oliver. |
| Oxford South..... | William Henry Chambers..... | M. M. Kneale. |
| *Parkdale..... | William Herbert Price..... | W. H. Adams. |
| Parry Sound..... | George V. Harcourt..... | S. R. Alexander. |
| Peel..... | Thomas L. Kennedy..... | David H. McCaugherty. |
| Perth North..... | Joseph Dunsmore Monteith..... | W. S. Shearer. |
| Perth South..... | McCausland Irvine..... | George Grant. |
| Peterborough East.. | Thomas Dalton Johnston..... | William Puffer. |
| Peterborough West.. | William H. Bradburn..... | F. J. A. Hall. |
| Port Arthur..... | Francis H. Keefer..... | Rod. Young. |
| Prescott..... | Edmond Proulx..... | William Logan Allison. |
| Prince Edward..... | Horace Stanley Colliver..... | John F. Williams. |
| Rainy River..... | John Fullerton Callan..... | N. L. Croome. |
| Renfrew North..... | Alexander Stuart..... | J. A. Campbell. |
| Renfrew South..... | John Carty, the younger..... | R. G. Wilson. |
| Riverdale..... | George Oakley, the younger..... | James G. Macdonald. |
| Russell..... | Aurelien Belanger..... | Samuel Newton. |
| St. Catharines..... | Edwin Cyrus Graves..... | G. A. Welstead. |
| *Sault Ste. Marie.. | James Lyons..... | Thomas Chitty. |
| Simcoe Centre..... | Charles Ernest Wright..... | Howard Bertram. |
| Simcoe East..... | William Finlayson..... | Leslie Archer. |
| Simcoe South..... | William Earl Rowe..... | L. A. Hartman. |
| Simcoe West..... | James E. Jamieson..... | James Dowling. |
| Stormont..... | John Colborne Milligan..... | D. A. Grant. |
| Sturgeon Falls..... | Zotique Mageau..... | Albert Limoges. |
| *Sudbury..... | Charles McCrea..... | A. Irving. |
| Temiskaming..... | Angus John Kennedy..... | C. A. Bryan. |
| Toronto | | |
| North-east "A" .. | Alexander Cameron Lewis..... | } Paul H. Mills. |
| Toronto | | |
| North-east "B" .. | Joseph Elijah Thompson..... | } Robert Heightley Groves |
| Toronto | | |
| North-west "A" .. | Hon. Thomas Crawford..... | |
| Toronto | | |
| North-west "B" .. | Arthur Russell Nesbitt..... | } D. W. Markham. |
| Toronto | | |
| South-east "A" .. | John Allister Currie..... | |
| Toronto, | | |
| South-east "B" .. | Edward W. J. Owens..... | |

*Accepted office and re-elected.

| CONSTITUENCY. | MEMBER ELECT. | RETURNING OFFICERS. |
|-----------------------|--------------------------------|------------------------|
| Electoral District of | | |
| Toronto | | |
| South-west "A"... | James Arthur McCausland.... | Hugh Harkins. |
| Toronto | | |
| South-west "B"... | Frederick George McBrien..... | |
| Victoria North..... | James Raglan Mark..... | Isaac Naylor. |
| Victoria South..... | Robert J. Patterson..... | A. J. Campbell. |
| Waterloo North..... | William G. Weichel..... | J. G. Hurst. |
| †Waterloo South.... | Karl K. Homuth..... | James Muir Jamieson. |
| Welland..... | Marshal Vaughan..... | Charles Awrey. |
| Wellington East.... | William Edgar Raney..... | Edward Boyd. |
| *Wellington South.. | Lincoln Goldie..... | J. R. Watson. |
| Wellington West.... | William Clark Chambers..... | Alexander Withers. |
| Wentworth North.. | Frank Campbell Biggs..... | Daniel Wray. |
| Wentworth South.. | Thomas Joseph Mahoney..... | John James Bertram. |
| Windsor..... | Frank Worthington Willson..... | W. P. Harvie. |
| *York East..... | Hon. George Stewart Henry..... | Arthur Moore Davidson. |
| York North..... | William Keith..... | S. P. Foote. |
| *York West..... | Forbes Elliott Godfrey..... | A. W. Farr. |

C. F. BULMER,
Clerk of the Crown in Chancery.

*Accepted office and re-elected.

†Unseated.

3 O'CLOCK P.M.

And the House having met,

His Honour the Lieutenant-Governor, having entered the House, took his seat on the Throne.

Mr. Goldie, the Provincial Secretary, then said,

I am commanded by His Honour the Lieutenant-Governor to state that he does not see fit to declare the causes of the summoning of the present Legislature of this Province until a Speaker of this House shall have been chosen according to law; but to-day, at a subsequent hour, His Honour will declare the causes of the calling of this Legislature.

His Honour was then pleased to retire.

The Premier, Mr. Ferguson, addressing himself to the Clerk, proposed to the House for their Speaker, Joseph Elijah Thompson, Esquire, Member for North-east Toronto Seat "B", which motion was seconded by Mr. Henry,

and it was

Resolved, That the Honourable Joseph Elijah Thompson do take the Chair of this House as Speaker.

The Clerk having declared the Honourable Joseph Elijah Thompson duly elected, he was conducted by the Premier and Mr. Henry to the Chair, where standing on the upper step, he returned his humble acknowledgments to the House for the great honour they had been pleased to confer upon him by choosing him to be their Speaker.

And thereupon he sat down in the Chair, and the Mace was laid upon the Table.

3.15 O'CLOCK P.M.

His Honour the Lieutenant-Governor then re-entered the House and took his seat on the Throne.

Mr. Speaker elect then addressed His Honour to the following effect:—

May it Please Your Honour:—

The Legislative Assembly have elected me as their Speaker, though I am but little able to fulfil the important duties thus assigned to me.

If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me and not to the Assembly whose servant I am, and who, through me, the better to enable them to discharge their duty to their King and country, hereby claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to your person at all seasonable times, and that their proceedings may receive from you the most favourable consideration.

The Provincial Secretary then said:—

Mr. Speaker,

I am commanded by His Honour, the Lieutenant-Governor, to declare to you that he freely confides in the duty and attachment of the Assembly to His Majesty's person and Government, and not doubting that the proceedings will be conducted with wisdom, temper and prudence, he grants, and upon all occasions will recognize and allow, the constitutional privileges.

I am commanded also to assure you that the Assembly shall have ready access to His Honour upon all suitable occasions, and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.

His Honour the Lieutenant-Governor was then pleased to open the Session with the following gracious Speech:—

Mr. Speaker and Gentlemen of the Legislative Assembly:—

We have assembled to-day for the purpose of inaugurating the Sixteenth Legislature in the history of Ontario. I welcome you to the discharge of the important duties which have been confided to you as the representatives of the people of this Province.

Our thanks are due to Almighty God for the substantial harvest of the past year, and for the many advantages we have enjoyed as a people. The revival of the forest industries, and the renewed mining activity, have helped to increase the volume of trade, as well as the opportunities for employment, and have created a more hopeful outlook. Our position in the business world, and our financial standing as a Province, will be materially strengthened by a close observance of the principles of thrift and industry, which have always been characteristic of our people.

The operations of the Queenston-Chippawa development, to which the sixth unit was recently added, have been attended with the most satisfactory results. Throughout the Province the demand for electrical power has fully realized the anticipations of the Hydro-Electric Power Commission, so that the problem that now presents itself is to make timely provision for the future requirements of the various districts.

In dealing with the all-important interests of education, the Government intends to modify and improve the elementary schools so as to simplify courses of study, and to bring them into more direct relation to the needs of the people. The question of providing better facilities for education in rural communities is receiving special consideration. You will be asked to make adequate provision for all branches of education which have the right to look to the State for substantial assistance.

In order that a larger share of immigration of agriculturalists and domestic helpers may be attracted to this Province from the Mother Country, my Ministers have made better provision for placing the advantages of this Province before the British peoples. Arrangements have been made for placing directly with Ontario farmers a number of British boys who will in due course become useful Canadian citizens. It will be generally realized that the careful selection of immigrants and thorough supervision of their location in this Province will tend to produce the best results for all concerned.

The improvement of the agricultural industry is a matter worthy of your most earnest and thorough consideration. My Government desires to bring your combined knowledge and experience, from both the rural and urban standpoints, to bear upon the subject in order that a better understanding of the economic situation may be reached, and a definite policy touching production, transportation, marketing and other conditions, may be evolved. You will be asked to appoint a Committee of the House to study these questions with a view to devising helpful measures. It is to be hoped that a spirit of co-operation will prevail, thus demonstrating the community of interest which exists between all classes of the people.

Considerable progress has been made in the co-operative marketing of farm products, and it is very desirable that greater results should be attained. Recognizing the importance of this means of placing the agricultural industry on a firmer foundation, my Ministers will endeavour to advance the movement as rapidly as the response accorded by the farming community will permit.

A general re-organization of the Highways Department is being carried out with a view to effecting a more economical and efficient administration. Much consideration has been given to the problem of road construction, with the object of meeting the needs of the varying traffic in the different parts of the Province. It is proposed by my Ministers to introduce legislation to give greater security to the public in the use of the highways. Special efforts will be directed towards encouraging the greater development of County and Township Road Systems. With this object in view, provision will be made for the appointment from among the members of the Assembly of an Advisory Board, designed to bring about a closer association between the municipalities contributing towards highway construction.

The progress of Northern and Northwestern Ontario is a matter of concern to the entire Province. It is expected that the systematic survey now being made will constitute the basis of a comprehensive scheme of development. My Ministers will invite the co-operation of the Dominion for the encouragement, by means of a bounty, of the mining of Canadian iron ores, for which Ontario offers a promising future. Plans will be perfected for the re-organization of the fire-protection service, with a view to greater efficiency and economy. I trust that the assurance of stability to capital in mining and forest industries, and the provision to keep the Government more closely in touch with the undeveloped portions of the Province, will lead to advantageous results.

It is satisfactory to observe that the operation of the Temiskaming and Northern Ontario Railway indicates increasing traffic between the newer country and the older parts of the Province. Last year the Commission established a regular train service over a portion of the new extension northward from Cochrane, which was taken over from the contractors for that purpose. In view of the needs of the mining industry, the construction of the Kirkland Lake Branch was energetically pushed forward, and the Commission was authorized to enquire into the desirability of an extension into the Lorrain district.

Realizing that the health of the people is a matter of supreme importance, my Government proposes to ask you to make statutory provision for a Ministry of Health. The co-ordination and unification of the various activities of the Province directed to the conservation of life will doubtless tend to increased efficiency and usefulness.

I am glad to observe the efforts my Ministers are making to bring about a solution of the fuel problem of this Province. There is reason to believe that under more favourable transportation conditions a supply of coal would be obtainable from Canadian sources, which would provide in large measure for the needs of Ontario and would prove of great economic advantage to the whole Dominion. I trust that, with the co-operation of the public, this matter will be pursued to a successful conclusion.

Among the measures which will be submitted to you for your consideration are Bills: to provide for the appointment of a Legislative Secretary for Northern and Northwestern Ontario; respecting assistance to the Iron Ore Industry; to make provision to enable the Government to secure an expression of opinion from the people with reference to Provincial Liquor Legislation; to amend the Companies Act; to amend the Workmen's Compensation Act; respecting the Board of Governors of Toronto University; to amend the Department of Education Act; to amend the Mining Act; to amend the Judicature Act; to consolidate the Insurance Laws; to amend the Municipal Act; and for other purposes.

The Public Accounts have been prepared in a manner which, I trust, will afford a clear and accurate survey of the financial affairs of the Province. In the preparation of the Estimates the need of economical administration has been kept in view.

I feel assured that the various measures which will be brought before you will receive your most careful consideration, and I trust that, under the blessing of Providence, your deliberations will be productive of results conducive to the permanent welfare and prosperity of this Province.

His Honour was then pleased to retire.

PRAYERS.

3.30 O'CLOCK P.M.

Mr. Speaker informed the House:

That in conformity with the provisions of the Revised Statutes of Ontario, 1914, Chapter 11, Section 32 (2), the Clerk of the Crown in Chancery had received notifications of vacancies and had made out new Writs for the Election of Members to serve in the present Legislature for the following Electoral Districts:—

The Electoral District of Grenville.

The Electoral District of Kingston.

The Electoral District of Norfolk South.

The Electoral District of Parkdale.

The Electoral District of Sault Ste. Marie.

The Electoral District of Sudbury.

The Electoral District of Wellington South.

The Electoral District of York East,

The Electoral District of York West, and

The Electoral District of Lennox.

To the Clerk of the Crown in Chancery:

We, the undersigned E. W. J. Owens, Member elect for the Legislative Assembly for the Electoral District of South-east Toronto, Seat "B," and Alex. C. Lewis, Member elect for the said Legislative Assembly for the Electoral District of North-east Toronto, Seat "A," do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of Grenville, by reason of acceptance of an office under the

Crown, To Wit: the office of President of the Council and Minister of Education for the Province, by GEORGE HOWARD FERGUSON, Member elect for the said Electoral District of Grenville.

And we, the said E. W. J. Owens, and Alex. C. Lewis, Members elect of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this Seventeenth day of July, in the year of our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

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| (Sgd.) | C. C. HELE. | (Sgd.) | E. W. J. OWENS, | [L.S.] |
| | | (Sgd.) | ALEX. C. LEWIS. | [L.S.] |

To the Clerk of the Crown in Chancery:

We, the undersigned E. W. J. Owens, Member elect for the Legislative Assembly for the Electoral District of South-east Toronto, Seat "B", and Alex. C. Lewis, Member elect for the said Legislative Assembly for the Electoral District of North-east Toronto, Seat "A", do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of Kingston by reason of acceptance of an office under the Crown, To Wit: the office of Attorney-General for the Province, by WILLIAM FOLGER NICKLE, Member elect for the said electoral District of Kingston.

And we, the said E. W. J. Owens and Alex. C. Lewis, Members elect of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this Seventeenth day of July, in the year of our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

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| (Sgd.) | C. C. HELE. | (Sgd.) | E. W. J. OWENS, | [L.S.] |
| | | (Sgd.) | ALEX. C. LEWIS. | [L.S.] |

To the Clerk of the Crown in Chancery:

We, the undersigned E. W. J. Owens, Member elect for the Legislative Assembly for the Electoral District of South-east Toronto, Seat "B", and Alex. C. Lewis, Member elect for the said Legislative Assembly for the Electoral

District of North-east Toronto, Seat "A", do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of South Norfolk, by reason of acceptance of an office under the Crown, To Wit: the office of Minister of Agriculture for the Province, by JOHN STRICKLER MARTIN, Member elect for the said Electoral District of South Norfolk.

And we, the said E. W. J. Owens and Alex. C. Lewis, Members elect of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this Seventeenth day of July, in the year of our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

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| (Sgd.) C. C. HELE. | (Sgd.) E. W. J. OWENS, | [L.S.] |
| | (Sgd.) ALEX. C. LEWIS. | [L.S.] |

To the Clerk of the Crown in Chancery:

We, the undersigned E. W. J. Owens, Member elect for the Legislative Assembly for the Electoral District of South-east Toronto, Seat "B", and Alex. C. Lewis, Member elect for the said Legislative Assembly for the Electoral District of North-east Toronto, Seat "A", do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of Parkdale, by reason of acceptance of an office under the Crown, To Wit: the office of Treasurer for the Province, by WILLIAM HERBERT PRICE, Member elect for the said Electoral District of Parkdale.

And we, the said E. W. J. Owens, and Alex. C. Lewis, Members elect of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

In WITNESS WHEREOF, we have hereunto set our hands and seals on this Seventeenth day of July, in the year of our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

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| (Sgd.) C. C. HELE. | (Sgd.) E. W. J. OWENS, | [L.S.] |
| | (Sgd.) ALEX. C. LEWIS. | [L.S.] |

To the Clerk of the Crown in Chancery:

We, the undersigned E. W. J. Owens, Member elect for the Legislative Assembly for the Electoral District of South-east Toronto, Seat "B", and Alex. C. Lewis, Member elect for the said Legislative Assembly for the Electoral District of North-east Toronto, Seat "A", do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of Sault Ste. Marie, by reason of acceptance of an office under the Crown, To Wit: the office of Minister of Lands and Forests for the Province, by JAMES LYONS, Member elect for the said Electoral District of Sault Ste. Marie.

And we, the said E. W. J. Owens, and Alex. C. Lewis, Members elect of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this Seventeenth day of July, in the year of our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

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| (Sgd.) C. C. HELE. | (Sgd.) E. W. J. OWENS, | [L.S.] |
| | (Sgd.) ALEX. C. LEWIS. | [L.S.] |

To the Clerk of the Crown in Chancery:

We, the undersigned E. W. J. Owens, Member elect for the Legislative Assembly for the Electoral District of South-east Toronto, Seat "B", and Alex. C. Lewis, Member elect for the said Legislative Assembly for the Electoral District of North-east Toronto, Seat "A", do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of Sudbury by reason of acceptance of an office under the Crown, To Wit: the office of Minister of Mines for the Province, by CHARLES MCCREA, Member elect for the said Electoral District of Sudbury.

And we, the said E. W. J. Owens, and Alex. C. Lewis, Members elect of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this Seventeenth day of July, in the year of our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

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| (Sgd.) C. C. HELE. | (Sgd.) E. W. J. OWENS, | [L.S.] |
| | (Sgd.) ALEX. C. LEWIS. | [L.S.] |

To the Clerk of the Crown in Chancery:

We, the undersigned E. W. J. Owens, Member elect for the Legislative Assembly for the Electoral District of South-east Toronto, Seat "B", and Alex. C. Lewis, Member elect for the said Legislative Assembly for the Electoral District of North-east Toronto, Seat "A", do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of South Wellington by reason of acceptance of an office under the Crown, To Wit: the office of Secretary and Registrar for the Province by LINCOLN GOLDIE, Member elect for the said Electoral District of South Wellington.

And we, the said E. W. J. Owens, and Alex. C. Lewis, Members elect of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this Seventeenth day of July, in the year of our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

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| | (Sgd.) E. W. J. OWENS, | [L.S.] |
| (Sgd.) C. C. HELE. | (Sgd.) ALEX. C. LEWIS. | [L.S.] |

To the Clerk of the Crown in Chancery:

We, the undersigned E. W. J. Owens, Member elect for the Legislative Assembly for the Electoral District of South-east Toronto, Seat "B", and Alex. C. Lewis, Member elect for the said Legislative Assembly for the Electoral District of North-east Toronto, Seat "A", do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of East York, by reason of acceptance of an office under the Crown, To Wit: the office of Minister of Public Works and Highways for the Province, by GEORGE STEWART HENRY, Member elect for the said Electoral District of East York.

And we, the said E. W. J. Owens, and Alex. C. Lewis, Members elect of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this Seventeenth day of July, in the year of our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

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| | (Sgd.) E. W. J. OWENS, | [L.S.] |
| (Sgd.) C. C. HELE. | (Sgd.) ALEX. C. LEWIS. | [L.S.] |

To the Clerk of the Crown in Chancery:

We, the undersigned E. W. J. Owens, Member elect for the Legislative Assembly for the Electoral District of South-east Toronto, Seat "B", and Alex. C. Lewis, Member elect for the said Legislative Assembly for the Electoral District of North-east Toronto, Seat "A", do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of West York by reason of acceptance of an office under the Crown. To Wit: the office of Minister of Labour and Health for the Province, by FORBES ELLIOTT GODFREY, Member elect for the said Electoral District of West York.

And we, the said E. W. J. Owens, and Alex. C. Lewis, Members elect of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this Seventeenth day of July, in the year of Our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

(Sgd.) C. C. HELE.

(Sgd.) E. W. J. OWENS, [L.S.]
(Sgd.) ALEX. C. LEWIS. [L.S.]

To the Clerk of the Crown in Chancery for the Province of Ontario:

We, the undersigned Lincoln Goldie, Member for the Legislative Assembly for the Electoral Division of Wellington South, and Frank H. Keefer, Member for the Legislative Assembly for the Electoral Division of Port Arthur, do hereby notify you that a vacancy has occurred in the Legislative Assembly for the Electoral Division of Lennox by reason of the death of J. P. Vrooman, Member elect for the said Electoral Division of Lennox, and we, the said Lincoln Goldie and Frank H. Keefer, Members of the Assembly aforesaid, hereby require you to issue a new Writ for the Election of a Member to fill the said vacancy.

IN WITNESS WHEREOF we have hereunto set our hands and seals on this Sixth day of September, in the year of our Lord one thousand nine hundred and twenty-three.

Signed and sealed in the presence of

(Sgd.) C. C. HELE.

(Sgd.) L. GOLDIE, [L.S.]
(Sgd.) FRANK H. KEEFER. [L.S.]

Mr. Speaker also informed the House,

That the Clerk had received from the Clerk of the Crown in Chancery, and laid upon the Table, the following Certificates of the Election of Members:—

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Seventeenth day of July, 1923, issued by His Honour the Lieutenant-Governor, and addressed to William S. Johnston, Esquire, Returning Officer for the Electoral District of Grenville, for the election of a Member to represent the said Electoral District of Grenville, in the Legislative Assembly of this Province, in the room of The Honourable George Howard Ferguson, who, since his election as representative of the said District of Grenville, has accepted offices of profit under the Crown. To Wit: The offices of Premier and Minister of Education of the Province of Ontario, by reason whereof the seat of the said The Honourable George Howard Ferguson has become vacant, the Honourable George Howard Ferguson has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Sixteenth day of August, 1923, which is now lodged of record in my office.

C. F. BULMER,

Toronto, January 14th, 1924.

Clerk of the Crown in Chancery.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Seventeenth day of July, 1923, issued by His Honour the Lieutenant-Governor, and addressed to H. D. Wightman, Esquire, Returning Officer for the Electoral District of Kingston, for the election of a Member to represent the said Electoral District of Kingston, in the Legislative Assembly of this Province, in the room of William Folger Nickle, Esquire, who, since his election as representative of the said District of Kingston, had accepted an office of profit under the Crown, To Wit: the office of Attorney-General, by reason whereof the seat of the said William Folger Nickle has become vacant, the Honourable William Folger Nickle has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Sixteenth day of August, 1923, which is now lodged of record in my office.

C. F. BULMER,

Toronto, January 14th, 1924,

Clerk of the Crown in Chancery.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Seventeenth day of July, 1923, issued by His Honour the Lieutenant-Governor, and addressed to R. W. McCall, Esquire, Returning Officer for the Electoral District of Norfolk South, for the election of a Member to represent the said Electoral District of Norfolk South, in the Legislative Assembly of this Province, in the room of John Strickler Martin, Esquire, who, since his election as representative of the said District of Norfolk South, has accepted an office of profit under the Crown. To Wit: the office of Minister of Agriculture, by reason whereof the seat of the said John Strickler Martin has become vacant, the Honourable John Strickler Martin has been returned as duly elected, as appears by the Return

of the said Writ of Election, dated the Sixteenth day of August, 1923, which is now lodged of record in my office.

Toronto, January 14th, 1924.

C. F. BULMER,

Clerk of the Crown in Chancery.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Seventeenth day of July, 1923, issued by His Honour the Lieutenant-Governor, and addressed to W. A. Orr, Esquire, Returning Officer for the Electoral District of Parkdale, for the election of a Member to represent the said Electoral District of Parkdale in the Legislative Assembly of this Province, in the room of William Herbert Price, Esquire, who, since his election as representative of the said District of Parkdale, had accepted an office of emolument under the Crown, To Wit: the office of Provincial Treasurer, by reason whereof the seat of the said William Herbert Price has become vacant, the Honourable William Herbert Price has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Sixteenth day of August, 1923, which is now lodged of record in my office.

Toronto, January 14th, 1924.

C. F. BULMER,

Clerk of the Crown in Chancery.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Seventeenth day of July, 1923, issued by His Honour the Lieutenant-Governor, and addressed to George E. Richardson, Esquire, Returning Officer for the Electoral District of Sault Ste. Marie, for the election of a Member to represent the said Electoral District of Sault Ste. Marie, in the Legislative Assembly of this Province, in the room of James Lyons, Esquire, who, since his election as representative of the said District of Sault Ste. Marie, had accepted an office of profit under the Crown, To Wit: the office of the Minister of Lands and Forests, by reason whereof the seat of the said James Lyons has become vacant, the Honourable James Lyons has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Sixteenth day of August, 1923, which is now lodged of record in my office.

Toronto, January 14th, 1924.

C. F. BULMER,

Clerk of the Crown in Chancery.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Seventeenth day of July, 1923, issued by His Honour the Lieutenant-Governor, and addressed to Alexander Irving, Esquire, Returning Officer for the Electoral District of Sudbury, for the election of a Member to represent the said Electoral

District of Sudbury in the Legislative Assembly of this Province, in the room of Charles McCrea, Esquire, who, since his election as representative of the said District of Sudbury, had accepted an office of profit under the Crown, To Wit: the office of Minister of Mines, by reason whereof the seat of the said Charles McCrea has become vacant, the Honourable Charles McCrea has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Sixteenth day of August, 1923, which is now lodged of record in my office.

C. F. BULMER,
Clerk of the Crown in Chancery.

Toronto, January 14th, 1924.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Seventeenth day of July, 1923, issued by His Honour the Lieutenant-Governor, and addressed to W. W. White, Esquire, Returning Officer for the Electoral District of South Wellington, for the election of a Member to represent the said Electoral District of South Wellington, in the Legislative Assembly of this Province, in the room of Lincoln Goldie, Esquire, who, since his election as representative of the said District of South Wellington, has accepted an office of profit under the Crown, To Wit: The office of Secretary and Registrar of the Province of Ontario, by reason whereof the seat of the said Lincoln Goldie has become vacant, the Honourable Lincoln Goldie has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Sixteenth day of August, 1923, which is now lodged of record in my office.

C. F. BULMER,
Clerk of the Crown in Chancery.

Toronto, January 14th, 1924.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Seventeenth day of July, 1923, issued by His Honour the Lieutenant-Governor, and addressed to James Labbatt, Esquire, Returning Officer for the Electoral District of East York, for the election of a Member to represent the said Electoral District of East York in the Legislative Assembly of this Province, in the room of the Honourable George Stewart Henry, who, since his election as representative of the said District of East York, had accepted an office of profit under the Crown, To Wit: the office of Minister of Public Works and Highways, by reason whereof the seat of the said George Stewart Henry has become vacant, the Honourable George Stewart Henry has been returned as duly elected, as appears by the Return of the said Writ of Election, dated the Sixteenth day of August, 1923, which is now lodged of record in my office.

C. F. BULMER,
Clerk of the Crown in Chancery.

Toronto, January 14th, 1924.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Seventeenth day of July, 1923, issued by His Honour the Lieutenant-Governor, and addressed to Robert Bull, Esquire, Returning Officer for the Electoral District of York West, for the election of a Member to represent the said Electoral District of York West, in the Legislative Assembly of this Province, in the room of Forbes Elliott Godfrey, Esquire, who, since his election as representative of the said District of West York, had accepted an office of profit under the Crown, To Wit: the office of Minister of Labour and Health, by reason whereof the seat of the said Forbes Elliott Godfrey has become vacant, the Honourable Forbes Elliott Godfrey has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Sixteenth day of August, 1923; which is now lodged of record in my office.

C. F. BULMER,
Clerk of the Crown in Chancery.

Toronto, January 14th, 1924.

PROVINCE OF ONTARIO.

THIS IS TO CERTIFY that in virtue of a Writ of Election, dated the Eighth day of September, 1923, issued by His Honour the Lieutenant-Governor, and addressed to George Stanley Reid, Esquire, Returning Officer for the Electoral District of Lennox, for the election of a Member to represent the said Electoral District of Lennox in the Legislative Assembly of this Province, in the room of John Perry Vrooman, who, since his election as representative of the said District of Lennox, had departed this life, Charles Wesley Hambly, Esquire, has been returned as duly elected, as appears by the Return to the said Writ of Election, dated the Second day of November, 1923, which is now lodged of record in my office.

C. F. BULMER,
Clerk of the Crown in Chancery.

Toronto, January 14th, 1924.

Charles Wesley Hambly, Esquire, Member for the Electoral District of Lennox, having taken the Oaths and subscribed the Roll, took his seat.

Mr. Speaker then reported,

That, to prevent mistakes, he had obtained a copy of His Honour's speech which he read.

On motion of Mr. Ferguson, seconded by Mr. Henry,

A Bill was introduced intituled "An Act respecting the Administration of Oaths of Office to persons appointed as Justices of the Peace," and the same was read the first time.

On motion of Mr. Ferguson, seconded by Mr. Henry,

Ordered, That the Speech of His Honour the Lieutenant-Governor, to this House, be taken into consideration To-morrow.

On motion of Mr. Ferguson, seconded by Mr. Henry,

Resolved, That Select Standing Committees of this House, for the present Session, be appointed for the following purposes:—1. On Privileges and Elections; 2. On Railways; 3. On Miscellaneous Private Bills; 4. On Standing Orders; 5. On Public Accounts; 6. On Printing; 7. On Municipal Law; 8. On Legal Bills; 9. On Agriculture and Colonization; 10. On Fish and Game; 11. On Labour; which said Committees shall severally be empowered to examine and enquire into all such matters and things as shall be referred to them by the House, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Mr. Speaker informed the House, that the Clerk had laid upon the Table:—

A Return from the Records of the General Elections to the Legislative Assembly held on the 14th and 25th days of June, 1923, showing:—

(1) The number of Votes Polled for each Candidate in each Electoral District in which there was a contest; (2) The majority whereby each successful Candidate was returned; (3) The total number of Votes Polled; (4) The number of Votes remaining Unpolled; (5) The number of names on the Polling Lists; (6) The number of Ballot Papers sent out to each Polling Place; (7) The Used Ballot Papers; (8) The unused Ballot Papers; (9) The Rejected Ballot Papers; (10) The Cancelled Ballot Papers; (11) The Declined Ballot Papers; (12) The Ballot Papers taken from Polling Places; (13) A General Summary of Votes cast in each Electoral District. Also, *Supplementary Return* from the Records of the By-elections held subsequently to the General Elections. (*Sessional Papers No. 47.*)

The House then adjourned at 3.45 p.m.

Thursday, February 7th, 1924.

3 O'CLOCK P.M.

PRAYERS.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Clarke (Northumberland), The Petition of the Town Council of Cobourg.

By Mr. Willson (Niagara Falls), The Petition of the Village Council of Crystal Beach; also, the Petition of the Township Council of Stamford.

By Mr. Finlayson, the Petition of the Town Council of Orillia; also, the Petition of D. L. White and others, of Midland.

By Mr. Garden, the Petition of the City Council of Hamilton.

By Mr. Weichel, two Petitions of the City Council of Kitchener; also, the Petition of the Councils of Kitchener and Waterloo; also, the Petition of the County Council of Waterloo; also; the Petition of the Town Council of Waterloo; also, the Petition of the Kitchener-Waterloo Y.M.C.A. and the Kitchener Y.W.C.A.

By Mr. Haney, the Petition of Donald John Livingstone of Mount Forest; also, the Petition of the Village Council of Point Edward.

By Mr. Morel, the Petition of the Town Council of North Bay.

By Mr. Keefer, the Petition of the Township Council of Schreiber; also, the Petition of the Municipality of Shuniah.

By Mr. Heenan, the Petition of the Town Council of Sioux Lookout.

By Mr. Ireland, the Petition of the Town Council of Trenton.

By Mr. Wilson (Windsor), the Petition of James McLeod and others of Windsor; also the Petition of Orion P. Barron of Amherstburg.

By Mr. Wallis, the Petition of the City Council of Sault Ste. Marie.

By Mr. Rankin, the Petition of the City Council of Kingston; also, the Petition of George Laturney of Kingston.

By Mr. Keith, the Petition of the Township Council of Etobicoke.

By Mr. Hillmer, the Petition of the Town Council of Georgetown; also, the Petition of the Town Council of Oakville.

By Mr. Lewis, the Petition of the Town Council of Ojibway.

By Mr. Nesbitt, the Petition of the City Council of Toronto; also, the Petition of the Town Council of New Toronto.

By Mr. Oakley, the Petition of the Master Horseshoers and Carriage Builders' Association of Toronto.

By Mr. Tellier, the Petition of the Town Council of Ford City.

By Mr. Wigle, the Petition of the Town Council of Goderich; also, the Petition of N. H. Baer and others of Colborne.

By Mr. Elliott, the Petition of the City Council of London.

By Mr. Jamieson (Grey), the Petition of the Town Council of Mount Forest.

By Mr. Sinclair, the Petition of the Town Council of Oshawa.

By Mr. Fisher, the Petition of the City Council of Ottawa.

By Mr. Bradburn, the Petition of St. Andrew's Presbyterian Church, Peterborough.

The following Bills were severally introduced and read the first time:—

Bill (No. 61), intituled "An Act to provide for a Legislative Secretary for Northern Ontario." Mr. Ferguson.

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 62), intituled "An Act to amend the Ontario Public Service Superannuation Act." Mr. Ferguson.

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 63), intituled "An Act to amend the School Laws." Mr. Ferguson

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 64), intituled "An Act to amend the Master and Servant Act." Mr. Nickle.

Ordered, That the Bill be read the second time on Tuesday next.

Bill (No. 65), intituled "An Act to amend the Libel and Slander Act." Mr. Nickle.

Ordered, That the Bill be read the second time on Tuesday next.

The Order of the Day for the Consideration of the Speech of His Honour the Lieutenant-Governor at the opening of the Session having been read,

Mr. Belford moved, seconded by Mr. Haney,

That an humble Address be presented to His Honour the Lieutenant-Governor, as follows:—

To His Honour, Henry Cockshutt, Lieutenant-Governor of our Province of Ontario.

We, His Majesty's most dutiful and loyal subjects, the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us.

And a Debate having ensued, it was on the Motion of Mr. Sinclair,

Ordered, That the Debate be adjourned until Tuesday next.

The House then adjourned at 4.45 p.m.

Friday, February 8th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Macdiarmid, the Petition of the City Council of St. Thomas.

The following Bill was introduced and read the first time:—

Bill (No. 66), intituled "An Act to amend the Mining Act of Ontario."
Mr. McCrea.

Ordered, That the Bill be read the second time on Tuesday next.

On motion of *Mr. Ferguson*, seconded by *Mr. Martin*,

Ordered, That a Select Committee of Fourteen Members be appointed to prepare and report, with all convenient speed, a list of members to compose the Select Standing Committees ordered by this House, to be composed as follows:—

Messrs. Ferguson, Henry, Price, Black, MacDiarmid, Ireland, Weichel, McKeown, Pinard, Clarke (Northumberland), Mewhinney, Doherty, Biggs and Lethbridge.

On motion of *Mr. Ferguson*, seconded by *Mr. Price*,

Ordered, That a Select Committee of Ten Members be appointed to act with Mr. Speaker in the control and management of the Library, to be composed as follows:—

Messrs. Nickle, Carr, Owens, McBride, Elliott, Sweet, Belanger, Sangster, Raney and Widdifield.

On motion of *Mr. Ferguson*, seconded by *Mr. Price*,

Ordered, That a Select Committee be appointed to direct the expenditure of any sum set apart by the Estimates for Art purposes, to be composed as follows:—

Messrs. Martin, Goldie, Lewis, Clarke (Brockville), Monteith, Keith, Proulx, Nixon and Bowman.

The House then adjourned at 3.25 p.m.

Monday, February 11th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Pinard, the Petition of the City Council of Ottawa.

By Mr. Armstrong, the Petition of C. C. Allen and others; also, the Petition of Philip Kelaher and others; also, the Petition of Alphonse Minard and others; also, the Petition of Thomas A. Skinner and others; also, the Petition of Frank P. Reilly and others, all of the Township of Sandwich West.

By Mr. Keith, the Petition of the Township Council of East York.

The following Petitions were read and received:—

Of N. H. Baer and others of Colborne, praying that an Act may pass to dissolve the Bennmiller Consolidated School Section.

Of Orion P. Barron of Amherstburg, praying that an Act may pass authorizing the Law Society of Upper Canada to admit him to practice as a Barrister and Solicitor.

Of the Town Council of Cobourg, praying that an Act may pass to ratify and confirm a certain By-law and for other purposes.

Of the Village Council of Crystal Beach, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Township Council of Etobicoke, praying that an Act may pass authorizing the construction of a sewer on Grand Avenue and for other purposes.

Of the Town Council of Ford City, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Town Council of Georgetown, praying that an Act may pass to consolidate the floating debt.

Of the Town Council of Goderich, praying that an Act may pass to empower the Corporation to raise, by way of loan, the sum of \$25,000 to pay off the floating debt.

Of the City Council of Hamilton, praying that an Act may pass authorizing the Council to pass By-laws for the borrowing of certain moneys.

Of the City Council of Kingston, praying that an Act may pass to ratify and confirm a certain Agreement and By-laws.

Of the City Council of Kitchener, praying that an Act may pass to ratify and confirm a certain By-law.

Of the City Council of Kitchener, praying that an Act may pass empowering the Council to pass By-laws relating to Town Planning.

Of the Councils of Kitchener and Waterloo, praying that an Act may pass enabling the Kitchener-Waterloo Hospital Trust to convey to the said Corporations all the real and personal estate belonging to the Trust.

Of the Kitchener-Waterloo Y.M.C.A. and the Kitchener Y.W.C.A., praying that an Act may pass to exempt them from municipal taxation.

Of George Laturney of the City of Kingston, praying that an Act may pass to authorize the Law Society of Upper Canada to admit him to practice as a Barrister and Solicitor.

Of Donald John Livingstone of the Town of Mount Forest, praying that an Act may pass authorizing the Law Society of Upper Canada to admit him as a five-year student and for other purposes.

Of the City Council of London, praying that an Act may pass authorizing the passage of a By-law to amend By-law No. 6486 *re* construction of Sanitary Sewers and for other purposes.

Of D. L. White and others of Midland, praying that an Act may pass to incorporate the Midland Young Men's Christian Association.

Of the Town Council of Mount Forest, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Town Council of New Toronto, praying that an Act may pass authorizing the raising of certain moneys for Sanitary Conveniences.

Of the Town Council of North Bay, praying that an Act may pass to consolidate the floating indebtedness and to authorize the issue of debentures.

Of the Town Council of Oakville, praying that an Act may pass to consolidate the floating indebtedness.

Of the Town Council of Ojibway, praying that an Act may pass to amend Act of incorporation and for other purposes.

Of the Town Council of Orillia, praying that an Act may pass to ratify and confirm certain By-laws and for other purposes.

Of the Town Council of Oshawa, praying that an Act may pass enabling the Corporation to construct as a local improvement a pavement on Simcoe Street and for other purposes.

Of the City Council of Ottawa, praying that an Act may pass empowering the Corporation to expropriate lands for the purpose of the Royal Ottawa Sanatorium.

Of St. Andrew's Presbyterian Church, Peterborough, praying that an Act may pass authorizing the Trustees to mortgage certain lands and to validate a mortgage.

Of the Village Council of Point Edward, praying that an Act may pass to ratify and confirm certain sales of land for taxes.

Of the City Council of St. Thomas, praying that an Act may pass empowering the Council to extend a certain mortgage and for other purposes.

Of the City Council of Sault Ste. Marie, praying that an Act may pass to ratify and confirm certain By-laws and for other purposes.

Of the Township of Schreiber, praying that an Act may pass to ratify and confirm a certain agreement between the Township and the Canadian Pacific Railway.

Of the Municipality of Shuniah, praying that an Act may pass to legalize and confirm all tax sales and deeds prior to 31st December, 1921.

Of the Township Council of Stamford, praying that an Act may pass authorizing the passing of certain By-laws.

Of the Town of Sioux Lookout, praying that an Act may pass to consolidate their floating debt.

Of the City Council of Toronto, praying that an Act may pass to validate a grant to the Japan Relief Fund and for other purposes.

Of the Master Horseshoers and Carriage Builders Association of Toronto, praying that an Act may pass to provide for licensing of master and journeymen horseshoers and their proper examination.

Of the Town Council of Trenton, praying that an Act may pass to ratify and confirm a certain By-law in connection with the construction of Water Works.

Of the County Council of Waterloo, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Town Council of Waterloo, praying that an Act may pass authorizing the passing of certain By-laws relating to Town Planning.

Of James McLeod and others of Windsor, praying that an Act may pass adopting and validating a new plan and sub-division of certain lands in the City of Windsor and confirming title thereto.

The following Bills were severally introduced and read the first time:—

Bill (No. 67), intituled "An Act to amend the Coroner's Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 68), intituled "An Act to amend the Mortgages Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 69), intituled "An Act to amend the Registry Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 70), intituled "An Act to amend the Municipal Act." *Mr. Lewis.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 71), intituled "An Act to amend the Corporations Tax Act." *Mr. Price.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 72), intituled "An Act to amend the Municipal Act." *Mr. Haney.*

Ordered, That the Bill be read the second time To-morrow.

Mr. Fisher asked the following Question:—Has the Comptroller of Finance spoken of by the Premier been appointed. If not, why not.

To which the Premier replied in the words following:—

The Government has as yet been unable to secure a suitable man upon satisfactory terms.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Regulations and Orders in Council made since May 5th, 1923, under the authority of the Department of Education Act or of the Acts relating to Public Schools, Separate Schools or High Schools. (*Sessional Papers No. 54.*)

The House then adjourned at 3.45 p.m.

Tuesday, February 12th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Stuart, the Petition of the Town Council of Pembroke.

By Mr. Wilson (Windsor), the Petition of the City Council of Windsor.

By Mr. Keith, the Petition of the Township Council of North York.

The following Bills were severally introduced and read the first time:—

Bill (No. 73), intituled "An Act to amend the University Act." *Mr. Ferguson.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 74), intituled "An Act Licensing and Regulating Dealers in Unwrought Metals." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

Before the Orders of the Day were called:—

Mr. Speaker, being asked to rule upon a certain matter regarding the right of Debate upon a Question Privilege, made his ruling in support of the point raised.

Mr. Raney, having appealed from the ruling of Mr. Speaker, and asked that a vote of the House be taken,

Thereupon, the question having been submitted to the House, Mr. Speaker was sustained upon the following division:—

YEAS.

| | | | |
|-------------|---------------|-------------|-----------------|
| Acres. | Goldie. | Lyons. | Sangster. |
| Armstrong. | Gray. | McBrien. | Sinclair. |
| Belanger. | Graves. | McCausland. | Spence. |
| Belford. | Hambly. | McCrea. | Stedman. |
| Berry. | Haney. | McKeown | Stuart. |
| Black. | Harcourt. | McKnight. | Sweet. |
| Brackin. | Henry. | MacBride. | Tellier. |
| Bradburn. | Hill. | MacDiarmid. | Thompson. |
| Bragg. | Hillmer. | Mahony. | (Lanark) |
| Carr. | Ireland. | Mark. | Trewartha. |
| Chambers. | Irvine. | Martin. | Vaughan. |
| (Oxford) | Jamieson. | Mewhinney. | Wallis. |
| Colliver. | (Grey) | Milligan. | Weichel. |
| Cooke. | Jamieson. | Monteith. | Wigle. |
| Crawford. | (Simcoe) | Nesbitt. | Wilson. |
| Currie. | Johnston. | Nickle. | (Windsor) |
| Ecclestone. | Joynt. | Oakley. | Wilson. |
| Elliott. | Keefer. | Owens. | (Niagara Falls) |
| Fallis. | Keith. | Patterson. | Wright—83. |
| Ferguson. | Kennedy. | Pinard. | |
| Finlayson. | (Peel) | Price. | |
| Fisher. | Kennedy. | Proulx. | |
| Garden. | (Temiskaming) | Rankin. | |
| Godfrey. | Lewis. | Rowe. | |

NAYS.

| | | | |
|-------------|-------------|-----------|----------------|
| Biggs. | Fenton. | McCallum. | Ross. |
| Bowman. | Freeborn. | Nixon. | Sewell. |
| Callan. | Heenan. | Oke. | Taylor. |
| Carmichael. | Kemp. | Raney. | Widdifield—18. |
| Doherty. | Lethbridge. | | |

PAIRS.

Beck. Carty.

The Order of the Day for resuming the Adjourned Debate on the motion for the Consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

Mr. Doherty moved, in amendment, seconded by Mr. Raney:—

That the Resolution before the House be amended by adding thereto the following words: "But it is our duty respectfully to submit to Your Honour that Your Honour's present advisors have not the confidence of this House."

Mr. Doherty then proceeded to read a Petition, signed by Nineteen Members of the House, in support of his amendment.

Objection was taken that the material of the Petition in the hands of the Member for East Kent may not be introduced in support of an amendment which is, in substance, a motion of want of confidence in the Government.

Mr. Widdifield appealed against the ruling and asked for a division, and thereupon the Members were called in and Mr. Speaker's ruling was sustained upon the following division:—

YEAS.

| | | | |
|-------------|---------------|-------------|-----------------|
| Acres. | Gray. | McBrien. | Rankin. |
| Armstrong. | Graves. | McCausland. | Rowe. |
| Belford. | Hambly. | McCrea. | Sangster. |
| Berry. | Haney. | McKeown. | Sinclair. |
| Black. | Harcourt. | McKnight. | Spence. |
| Bradburn. | Henry. | MacBride. | Stedman. |
| Bragg. | Hill. | MacDiarmid. | Stuart. |
| Carr. | Hillmer. | Mageau. | Sweet. |
| Chambers. | Ireland. | Mahony. | Tellier. |
| (Oxford) | Irvine. | Mark. | Thompson. |
| Colliver. | Jamieson. | Martin. | (Lanark) |
| Cooke. | (Grey) | Mewhinney. | Trewartha. |
| Crawford. | Jamieson. | Milligan. | Vaughan. |
| Currie. | (Simcoe) | Monteith. | Wallis. |
| Ecclestone. | Johnston. | Nesbitt. | Weichel. |
| Elliott. | Joynt. | Nickle. | Wigle. |
| Fallis. | Keefer. | Oakley. | Wilson. |
| Ferguson. | Keith. | Owens. | (Windsor) |
| Finlayson. | Kennedy. | Patterson. | Wilson. |
| Garden. | (Temiskaming) | Pinard. | (Niagara Falls) |
| Godfrey. | Lewis. | Price. | Wright—79. |
| Goldie. | Lyons. | | |

NAYS.

| | | | |
|-------------|-----------|-------------|----------------|
| Belanger. | Fenton. | Lethbridge. | Raney. |
| Biggs. | Fisher. | McCallum. | Ross. |
| Callan. | Freeborn. | Nixon. | Sewell. |
| Carmichael. | Heenan. | Oke. | Taylor. |
| Doherty. | Kemp. | Proulx. | Widdifield—20. |

PAIRS.

| | |
|-------------|---------|
| Beck. | Carty. |
| Morel. | Bowman. |

The Debate then proceeded, and after some time, it was, on the Motion of Mr. Doherty,

Ordered, That the Debate be adjourned until To-morrow.

Mr. Doherty laid upon the Table the Petition of the Nineteen Members which is above referred to.

The House then adjourned at 5.30 p.m.

Wednesday, February 13th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Speaker informed the House:

That he had received from the Judges, their Report in the matter of the South Waterloo Election trial, which was read as follows:

SUPREME COURT OF ONTARIO.

THE ONTARIO CONTROVERTED ELECTIONS ACT.

ELECTIONS FOR THE ELECTORAL DISTRICT OF SOUTH WATERLOO, PROVINCE OF ONTARIO, HOLDEN ON THE 25TH DAY OF JUNE, 1923.

The petition of Arthur William Mercer, a candidate at the said election, against the return of Karl K. Homuth, Esquire, as a member of the Legislative

Assembly for the said electoral district and claiming the seat for the petitioner, having come on for trial before the Honourable Mr. Justice Kelly and the Honourable Mr. Justice Masten, two of the Judges of the Supreme Court of Ontario, duly assigned as the Election Court for the trial of the said petition, and an appeal being had from their decision, and said appeal having been heard by the Divisional Court of the Appellate Division, I do certify to the Speaker of the Legislative Assembly of the Province of Ontario the judgment of the Court upon the said petition, and in respect to the matters and things upon which said Court is required by the Controverted Elections Act to report and determine.

(1) The Court was unable to determine whether the said Karl K. Homuth or the said Arthur William Mercer was duly returned or elected and did, therefore, determine that the said election was void.

(2) The Court found that corrupt practices were proved to have been committed by and with the actual knowledge and consent of the candidate, Karl K. Homuth. The nature of such corrupt practices appear more fully from the reasons for judgment of the trial Judges, which with respect to these matters read as follows:—

“With respect to paragraphs 78 and 92 of the Particulars, the facts are as follows: The United Farmers’ organization in South and North Waterloo is accustomed to hold an annual picnic during the course of the summer season. In the year 1923 such annual picnic was held on June 13th. At these picnics one of the customary means of entertainment is by public speeches and the respondent had been accustomed in previous years to speak thereat. In 1923, in lieu of holding meetings at some four or five nearby villages within the Riding, he spoke at the picnic on June 13th; and being thus relieved from the expense of hiring halls in which to hold these several meetings, he undertook to pay the expenses of providing the music at the picnic. John Herber, the deputy returning officer of Polling Subdivision No. 5, in the Township of Wilmot (already referred to in connection with the charges in paragraphs 64, 65, and 66), a friend of respondent’s and known to him to be a voter in the Riding, was the Secretary-Treasurer of the U.F.O. Club. A band was employed by the United Farmers’ Picnic Committee and paid by them on the day of the picnic, and subsequently the respondent’s agent, pursuant to respondent’s promise, paid to Herber the sum of \$45.00, being the amount which the Picnic Committee had paid to the band for its services. The sum so paid to Herber was by him paid over to the United Farmers in re-imbursement of the amount theretofore paid out by them to the band. At the picnics held in previous years by the Farmers’ organization, this same band was engaged and in each year but one they paid the same amount as they received in 1923. It is questionable if any of the members of the band were aware that it was respondent’s money with which they were paid. Herber says that he did not tell them that respondent was paying.

“Referring to paragraph 79, the facts are similar, except that the respondent himself directly employed Charles McGregor, a professional entertainer, to attend at the picnic with his troupe, and paid to McGregor his regular fee for the services so rendered. Both of these payments

were made through the official agent of the respondent and are included by him as disbursements in the return of respondent's disbursements made after the election, pursuant to the Act.

"We are of opinion that the evidence establishes these charges (78, 79, and 92) as corrupt practices within the meaning of the Ontario Election Act, R.S.O. 1914, Cap. 8, and amendments, and that such corrupt practices were committed by and with the knowledge and consent of the candidate."

(3) The Court, by reason of the provisions of section 182, sub-section (2) of the Ontario Election Act, did further determine that the said Karl K. Homuth should not be subject to the penalties and disabilities which he would otherwise incur under the provisions of section 182, sub-section (1) of the said Act.

(4) The only person proved to have been guilty of a corrupt practice is the said Karl K. Homuth, who was found guilty on his own evidence.

(5) The Court has no reason to believe that corrupt practices have extensively prevailed at the election in question, or that the inquiry into the circumstances of the election has been rendered incomplete by the action of either of the parties to the petition and in the opinion of the Court further inquiry is not desirable.

OSGOODE HALL, 12th February, 1924.

(Sgd.) EDMUND HARLEY,
Registrar, Supreme Court.

TO THE HONOURABLE,
THE SPEAKER OF THE LEGISLATIVE ASSEMBLY
OF THE PROVINCE OF ONTARIO.

S.C.O.

ONTARIO CONTROVERTED ELECTIONS ACT.
Election for the Electoral District of South
Waterloo, Province of Ontario, holden the
25th day of June, A.D. 1923.

BETWEEN:

ARTHUR WILLIAM MERCER, Petitioner,
and
KARL K. HOMUTH, Respondent.

Copy of Judgment of Kelly and
Masten, J.J., delivered 15th
January, 1924.

GREER, K.C., and G. C. PRICE,
For the Petitioner.

WIDDIFIELD,
For the Respondent.

(Before the HONOURABLE MR. JUSTICE KELLY and the HONOURABLE MR. JUSTICE MASTEN.)

The trial of this petition took place, pursuant to the consent of both parties, in the City of Kitchener, on the 27th and 28th days of December, 1923. The petition was supplemented by particulars delivered by the petitioner on or about the 12th day of December, 1923, and at the opening of the trial, pursuant to leave granted, certain additional particulars numbered 88, 89, 91 and 92 were delivered.

At the close of the trial certain parts of the prayers contained in the petition were abandoned by counsel for the petitioner, and the prayer of the petition as so amended reads as follows;—

WHEREFORE YOUR PETITIONER PRAYS:

1. That it may be determined that the said respondent was not duly elected or returned at the said election and that his said election as returned by the Returning Officer was and is void.

2. That it may be determined and adjudged that the said election was and is void.

3. That it may be declared and found that the said respondent was and is guilty of the several corrupt and illegal practices heretofore charged and having been committed before, during, at and after the said election by himself, and by his agents and other persons on his behalf by and with the actual knowledge and consent of the said respondent.

4. That in consequence thereof the said respondent may be adjudged disqualified and incapable of being elected to or of sitting in the Legislative Assembly in the Province of Ontario and of being entered in any Voters' List or Roll Book as a voter and "of voting at any election and of holding any office at the nomination of the Crown or of the Lieutenant-Governor in Ontario or any municipal office."

The petitioner claims that fifteen persons whose names are set forth in paragraphs numbered 1, 3 and 6 of the Particulars voted illegally, their names not being on the voters' list.

The petitioner also claims that seven persons whose names are set forth in paragraphs numbered 2, 4, 5 and 9 of the Particulars voted illegally because, though their names were on the voters' list, they had not resided in the riding of South Waterloo for a period of three months immediately preceding the election day.

In respect to the above charges, we disallow the charge relating to Rosina Dechert, Junior, mentioned in paragraph numbered 6 of the Particulars; and we find in favour of the petitioners' claim in respect to the remaining twenty-one persons above mentioned, and hold that they illegally voted at the election, and that the election was irregularly conducted in that respect. We find that such irregularities were not corrupt practices within the meaning of the Act.

The respondent has been returned as elected by a majority of fifteen votes only. Mr. Widdifield's fundamental argument is that admitting that 21 votes were polled by persons who were not entitled to vote, yet this Court has no jurisdiction to strike off any vote unless a corrupt act affecting such vote is proved. He refers as the basis of his argument to Section 88 of the Controverted Elections Act, which provides:—

"No election or return shall be questioned except in accordance with the provisions of this Act,"

and follows this up by referring to the fact that that Act contains no specific reference to a scrutiny. He argues that consequently the Legislature, when establishing secrecy of the ballot, abolished all powers of scrutiny on the part of the Court; in other words that because the Court has no power to enquire how any elector voted it has not power to enquire whether the person who voted had the right to vote, and he claims that if the ballot once gets in the ballot box without objection properly taken, it must be counted unless a corrupt practice affecting it is established. The argument is plausible, but in our opinion is not sound.

In the first place there is nothing in the Controverted Elections Act which takes away from this Court the jurisdiction which it has always exercised of scrutinizing, and ascertaining whether or not the votes polled were properly polled.

In the second place Section 3 of the Controverted Elections Act provides:—

“The Court shall subject to the provisions of this Act have the same powers, jurisdiction and authority with reference to a petition and the proceedings thereon as the Supreme Court would have if the petition were an ordinary action within the jurisdiction of the Court.”

Now what would be the jurisdiction and the authority of the Court if this were an ordinary action? Surely it would be to decide whether or not the respondent received a majority of the votes of the electors entitled to vote at the election; for by section 51 of the Controverted Elections Act it is provided:—

“The Election Court shall determine whether the member whose return or election is complained of, or any or what other person was duly returned or elected, or whether the election was void.”

In so determining it seems to us that evidence as to whether certain ballots found in the ballot box were cast by persons entitled to vote is relevant and pertinent evidence which the Court is bound to receive in order to ascertain whether the election has shown a majority in favour of the respondent. If the ballots complained of are shown to have been cast by persons who had no right to cast them, they are void and must be disregarded in that they cannot be said to be in favour of either candidate. They cannot be added to the petitioner's ballots, nor can they be counted for the respondent, and the result is that the Court cannot tell which candidate had the majority. In view of section 51 of the Controverted Elections Act above quoted, and it not being known and not possible to be known in whose favour the 21 ballots referred to were cast, how can the Court possibly say or determine that either the respondent or his opponent was duly returned or elected? The only course in pursuance of that section is for the Court to determine that the election was void.

This view is further supported by a consideration of clause 4 of the Election Act. It is true that that clause is negative in form—providing as it does that no election shall be declared invalid by reason of certain irregularities there set forth,—but the implication is that all other irregularities not covered by the section are grounds on which the Court is bound to declare the election invalid.

In other words, if irregularities are established the saving provisions of clause 4 are applicable only if it appears "that such irregularity, failure, non-compliance or mistake did not affect the result of the election."

Here we are wholly unable to ascertain whether the 21 void votes which were irregularly polled did or did not affect the result, the majority being only 15; and there is no means of ascertaining how these 21 voted. We cannot say that it appears to us that the irregularities so proved did not affect the result of the election, and consequently the saving provisions of section 4 do not apply so as to prevent a declaration that the election is invalid.

The petitioner further charges in paragraph 7 of his Particulars that in Polling Subdivision No. 2, Township of North Dumfries, three votes were illegally cast for the respondent; 137 ballots were polled and only 134 names appear on the poll book. The evidence substantiates the fact above stated, and it constitutes an irregularity in the keeping of the poll book, but we are unable to say that of itself it affected the result of the election.

By paragraph 8 of his Particulars, the petitioner alleges that Rosina Dechert, Senior, a voter properly on the list, attended at Polling Subdivision No. 1, Preston, for the purpose of casting her vote on behalf of the petitioner and was refused a ballot by the Deputy Returning Officer contrary to law. We find against this charge.

Paragraphs 10 to 30 of the Particulars, whereby it is alleged that ballots were corruptly and fraudulently granted by the Deputy Returning Officers named in such paragraphs, are dealt with by our finding above set out, that the irregularities mentioned in the said paragraphs did not constitute a corrupt practice. We find that the issue of the said ballots, though grossly careless on the part of the respective Returning Officers, was not done corruptly or fraudulently.

Paragraphs 31 to 48 inclusive of the Particulars are disallowed.

No evidence was tendered in support of paragraphs 49 and 50 of the Particulars.

Paragraphs 51 to 57 inclusive are disallowed.

With respect to paragraphs 58 to 63 inclusive, we find the facts to be that in Polling Subdivision No. 3, Township of North Dumfries, the voting took place in the summer kitchen of Archibald Hall's house, he being the Deputy Returning Officer for said subdivision, and that no separate compartment was provided in which the voters might mark their ballots, the marking taking place on a table placed in one corner of the room and only partially screened from observation by a bureau; we find that the provisions so made for securing secrecy of proceedings were inadequate and improper. We find that in at least four cases it was possible for persons who were in the room to observe the voter while marking his ballot, and that in one case an elector waiting to vote actually saw how another elector marked her ballot. One witness, whom we believe, swore that it was not possible to mark the ballots in secret with the number of

persons in the room who were present when he was there. We further find that the provisions of section 94 of the Election Act were not observed, and that in these various respects irregularities occurred in the conduct of the election in this polling subdivision. Considering that 192 votes were cast in this polling subdivision, considering all the circumstances surrounding the taking of the vote as described above, and considering the narrow majority in the whole riding, it is manifest that these irregularities were by no means trifling and cannot be disregarded,—we are not disposed to say that the irregularities which there prevailed are traceable to causes other than mistake or oversight or downright carelessness or ignorance of the officers charged with the duty of conducting that part of the election or lack of appreciation of the responsibilities of their office and the importance of their duties; but, absolving these officers from any corrupt intent personally, it is impossible for us to say that the election was conducted in accordance with the principles laid down in the Act or that the gross irregularities which prevailed on the taking of the vote at this polling place did not affect the result of the election. The provisions of the Act which relate to secrecy of the ballot have been framed with care not only to ensure secrecy, but also to afford the fullest opportunity to each voter to record his wishes deliberately and without interference and free from publicity and from conditions which might operate as an embarrassment or intimidation in the free exercise of his judgment. One can conceive of cases where if secrecy in voting is not assured, a voter may be influenced, by one consideration or another, against recording his vote in accordance with his real wishes and intention. Owing to the irregularities which prevailed at this polling place, we are clearly of opinion that there was not a substantial compliance with the requirements of the Act and that the fundamental principle of secrecy was violated. In the result, no other course is left open but to declare the election void on this ground.

With respect to paragraphs 64, 65 and 66 of the Particulars we find that Louis E. Dietrich was the scrutineer for the respondent at Polling Subdivision No. 5 in the Township of Wilmot; that he assisted at least two and probably four persons to the compartment in which to mark their ballots, and in at least one case made certain explanations to the voter respecting the ballot; that this was done by direction of the Deputy Returning Officer, John Herber, in lieu of the procedure prescribed by section 100 of the Election Act; and that the provisions of that section were not observed. Two of the persons above referred to were incapacitated by partial blindness or defective eyesight from voting in the usual manner prescribed by the Act, and they were unable to read English. Their votes were not cast in the manner required by subsection 1 of section 100. The Deputy Returning Officer did not require them to take before him the oath prescribed by subsection 2; and the Deputy Returning Officer did not make in the poll book the entry required by subsection 3. Referring to paragraph 67 of the Particulars, we find that at this same polling subdivision (No. 5, Township of Wilmot) the oath of secrecy prescribed by section 164 was not administered to the Poll Clerk or either of the scrutineers. In fact the procedure at this polling place was characterized by a general disregard of what the Act requires of election officers; and if it were tolerated, elections would be little better than a farce. The conduct of elections should not be entrusted to anyone so lacking in appreciation of what the Act requires and so wanting in ordinary common sense as were the officers at this polling subdivision.

No evidence was adduced before us with respect to paragraphs 68 and 69.

No specific evidence was directed to the claim in paragraph 70.

There is no sufficient evidence of any corrupt practice or irregularity in connection with the appointment of Deputy Returning Officers referred to in paragraphs 71, 72 and 73 of the Particulars. The respondent did recommend the appointment of Aaron Mader of Breslau as the Deputy Returning Officer of Polling Subdivision No. 6, Township of Waterloo, but we find that there was no corrupt or fraudulent action on the part of the respondent in making that recommendation.

We find against the allegations in paragraphs 74, 75, 76 and 77 of the Particulars. Paragraphs 78 and 79 are considered hereafter along with paragraph 92.

Paragraphs 80 and 82 are of a general character; they do not contain specific charges and were not pressed before us.

We find against the charge made in paragraphs 83 and 85. Our finding made in other charges disposes of paragraphs 84, 86 and 87.

With respect to the allegation in paragraph 88 we find that in Polling Subdivision No. 3, Township of North Dumfries, the Deputy Returning Officers failed to initial the ballots in the manner prescribed by law. We find that he initialled the counterfoils which he afterwards destroyed. We are unable to find that this irregularity affected the election.

Charge 89 was abandoned by the petitioner.

No evidence was offered under paragraph 91 of the Particulars.

With respect to paragraphs 78 and 92 of the Particulars, the facts are as follows:—The United Farmers' organization in South and North Waterloo is accustomed to hold an annual picnic during the course of the summer season. In the year 1923 such annual picnic was held on June 13th. At these picnics one of the customary means of entertainment is by public speeches, and the respondent had been accustomed in previous years to speak thereat. In 1923, in lieu of holding meetings at some four or five nearby villages within the Riding, he spoke at the picnic on June 13; and being thus relieved from the expense of hiring halls in which to hold these several meetings, he undertook to pay the expense of providing the music at the picnic. John Herber, the Deputy Returning Officer of Polling Subdivision No. 5 in the Township of Wilmot (already referred to in connection with the charges in paragraphs 64, 65 and 66), a friend of respondent's and known to him to be a voter in the riding, was the Secretary-Treasurer of the U.F.O. Club. A band was employed by the United Farmers' Picnic Committee and paid by them on the day of the picnic, and subsequently the respondent's agent, pursuant to respondent's promise, paid to Herber the sum of \$45, being the amount which the Picnic Committee had paid to the band for its services. The sum so paid to Herber was by him paid over to the United Farmers in reimbursement of the amount theretofore paid out by them to the band. At the picnics held in previous years by the Farmers' organization this same band was engaged and in each year but one they paid the same amount

as they received in 1923. It is questionable if any of the members of the band were aware that it was respondent's money with which they were paid. Herber says that he did not tell them that respondent was paying.

Referring to paragraph 79, the facts are similar except that the respondent himself directly employed Charles McGregor, a professional entertainer, to attend at the picnic with his troupe, and paid to McGregor his regular fee for the services so rendered. Both of these payments were made through the official agent of the respondent and are included by him as disbursements in the return of respondent's disbursements made after the election, pursuant to the Act.

We are of opinion that the evidence establishes these charges (78, 79 and 92) as corrupt practices within the meaning of the Ontario Election Act, R.S.O. 1914, Cap. 8, and amendments, and that such corrupt practices were committed by and with the knowledge and consent of the candidate.

As to the claim that respondent should suffer the penalties of disqualification because of these corrupt and illegal practices in and in respect of the election, we have carefully considered these acts of his and his agents and we think we should not give effect to that part of the petitioner's claim. Inexcusable as were several of these acts in the sense that being in contravention of what the Act requires they should not have been committed, we have, with some hesitancy, come to the conclusion that they were not done with any corrupt intent but were rather the result of a misplaced belief in their propriety inasmuch as the respondent by that expedient was able to substitute the expenditures so incurred for what could have been legally incurred in the rental of halls for his meetings; and they do not in the circumstances in which they were committed convince us that respondent did not desire to have the election conducted according to law. When the whole evidence on this part of petitioner's claim has been taken into account, we think respondent should be given the benefit of the provisions of subsection 2 of section 182 of the Ontario Elections Act. We desire to put on record that in so doing we do not condone such practices or minimize or detract from the importance which, if elections are to be honestly conducted, must be attached to any act which tends to corrupt or may have the effect of corrupting the electorate, and it is only because of the very exceptional circumstances of the case that we give respondent the benefit of the doubt we entertain as to the corrupt practices.

While we have already stated that the election must be declared void because of specific irregularities fatal to its validity, we ought not to part with the case without calling attention to the accumulation of irregularities, substantial and serious, which the evidence has revealed:—absence of the necessary provisions for maintaining secrecy and permitting voting subject to observation; failure of the officers to take the prescribed oath of secrecy; omitting to keep a record of all those who had cast their ballots; accepting votes of those whose names were not on the voters' list and who undoubtedly had no right to vote, and the votes of those who, though their names were on the list, had, under the provisions of the Act, no right to vote; permitting a representative of the candidate to enter, as he did, the compartment set aside for marking the ballots and conversing with and giving directions to the voter relating to the ballot; failure

of the election officers to comply with the requirements of the Act in respect of the taking of the vote of persons who, through blindness or other physical incapacity, were unable to record their vote in the regular manner; and the failure to obtain from such voters the oath prescribed by section 100 (2). Gross disregard of the principles laid down by the Elections Act prevailed in several places. Literal compliance with the directions for conducting elections is not to be expected, but there should be substantial compliance. In many respects there was not, in the conduct of this election, that degree of compliance necessary to its validity, even assuming, as was the case in more than one instance, that the irregularities were due to mistake, ignorance, carelessness or stubborn adherence to what election officers deemed to be correct practices in taking the vote.

The result is that we are unable to determine that respondent (or any other person) was duly returned or elected as member for the Riding of South Waterloo; we do determine that the election was void; and we certify accordingly.

We report also that corrupt practices were committed on behalf of the respondent, Karl Homuth, by and with his knowledge and consent, (1) in the payment of \$45 for the services of the Baden band at the picnic held under the auspices of the United Farmers' organization on June 13th, 1923, and (2) in the payment of \$25 to one Charles McGregor, professional entertainer, for the services of himself and his troupe at said picnic. The respondent has himself admitted these payments. We are of opinion that respondent is entitled to the benefit of subsection 2 of section 182 of the Act. We also certify that, while there occurred these two instances of corrupt practices, we have no reason to believe that corrupt practices extensively prevailed at this election.

We are of opinion that the enquiry into the circumstances of this election has not been rendered incomplete by the action of any of the parties to the petition, and we do not see that further enquiry as to whether corrupt practices have extensively prevailed is desirable.

Respondent should pay the costs of the proceedings at the trial. Though the charges of disqualification have not succeeded, the prosecution thereof did not add materially to the general costs.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Weichel, the Petition of the City Council of Kitchener.

By Mr. Graves, the Petition of the City Council of St. Catharines.

The following Petitions were read and received:—

Of the City Council of Ottawa, praying that an Act may pass to authorize the borrowing of certain moneys and for other purposes.

Of C. C. Allen and others; also, of Philip Kelaher and others; also, of Alphonse Minard and others; also, of Thomas A. Skinner and others; also, of

Frank P. Reilly and others, all of the Township of Sandwich West, severally praying that an Act may pass to incorporate the Town of La Salle.

Of the Township Council of East York, praying that an Act may pass authorizing the passing of certain By-laws and for other purposes.

The following Bills were severally introduced and read the first time:—

Bill (No. 75), intituled "An Act to amend the Ontario Railway Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 76), intituled "The Public Officers Fees Act, R.S.O., 1914, Cap. 17." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 77), intituled "An Act to amend the Administration of Justice Expenses Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 78), intituled "An Act to amend the Billiard Room and Bowling Alley License Act, 1922." *Mr. Price.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 79), intituled "An Act to repeal the Municipal Tax Exemption Act, 1920." *Mr. McBrien.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 80), intituled "An Act to amend the Assessment Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for resuming the adjourned Debate on the motion for consideration of the Speech of His Honour the Lieutenant-Governor at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

Mr. Ferguson moved in amendment to the amendment, seconded by Mr. Nickle,

That all the words in the Amendment after the first word "That" be omitted and the following be substituted therefor:—

The Resolution before the House be amended by adding thereto the following words:—"This House desires respectfully to assure Your Honour that the measures referred to in the Speech from the Throne, and especially those relating to Agriculture, will receive its most earnest and most helpful consideration."

And a Debate having ensued, it was, on the Motion of Mr. Raney,

Ordered, That the Debate be adjourned until To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Regulations and Orders in Council made since April 20th to 26th, 1923, under the authority of the Department of Education Act or of the Acts relating to Public Schools, Separate Schools or High Schools. (*Sessional Papers No. 54.*)

Also—Statement of the Legislative Grants for the year 1923 paid to the Rural Public and Separate Schools in the Counties and Districts and to the Urban Public and Separate Schools in the Counties and Districts which, in accordance with the provisions of the Amendment to the Schools Act, passed in 1922, were classed as Rural Schools and received grants as such. (*Sessional Papers No. 55.*)

The House then adjourned at 6.00 p.m.

Thursday, February 14th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Brackin, the Petition of the City Council of Chatham.

By Mr. McKeown, the Petition of Samuel Herbert Rutledge and others of Orangeville; also, the Petition of the Imperial Order Daughters of the Empire and the Children of the Empire, Junior Branch, of Orangeville.

The following Petitions were read and received:—

Of the Township Council of North York, praying that an Act may pass to repeal 6 Geo. V, c. 75, respecting the Police Village of Kingsdale and to ratify and confirm a certain By-law.

Of the Town Council of Pembroke, praying that an Act may pass authorizing the issue of certain debentures.

Of the City Council of Windsor, praying that an Act may pass providing for the creation of a Recreation Commission.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed.

And after some time, it was, on the Motion of Mr. Clarke (Northumberland),

Ordered, That the Debate be further adjourned until To-morrow.

The House then adjourned at 5.45 p.m.

Friday, February 15th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Ecclestone, the Petition of Henry Longhurst and others of Windermere.

By Mr. Macdiarmid, the Petition of the Railroad City Y.M.C.A. of St. Thomas.

By Mr. Pinard, the Petition of the Ottawa Electric Railway Company.

The following Petitions were read and received:—

Of the City Council of St. Catharines, praying that an Act may pass authorizing the investment of surplus sinking funds.

Of the City Council of Kitchener, praying for certain amendments to the Assessment Act.

On motion of Mr. Ferguson, seconded by Mr. Nickle,

Ordered, That, beginning on Monday next and on each succeeding Monday for the remainder of the Session, Government business shall be placed upon the Order Paper.

Mr. Ferguson, from the Special Committee appointed to prepare and report with all convenient speed a list of members to compose the Select Standing Committees ordered by this House, presented the following list as their report:—

COMMITTEE ON STANDING ORDERS.

Messieurs Acres, Armstrong, Belford, Berry, Biggs, Brackin, Crawford, Doherty, Freeborn, Graves, Hambly, Haney, Hill, Hillmer, Irvine, Jamieson (Simcoe West), Johnston, Lang, Lewis, McKeown, McKnight, McBrien, Martin, Nixon, Oakley, Patterson, Pinard, Proulx, Raney, Sinclair, Stedman, Stuart, Sweet, Trewartha, Vaughan, Wallis, Weichel, Widdifield, Wilson (Windsor)—39.

The Quorum of said Committee to consist of seven Members.

COMMITTEE ON PRIVATE BILLS.

Honourable Mr. Ferguson, Messieurs Armstrong, Beck, Belanger, Berry, Black, Brackin, Bradburn, Callan, Carmichael, Chambers (Wellington), Chambers (Oxford), Clarke (Brockville), Clarke (Northumberland), Cooke, Crawford, Currie, Doherty, Ecclestone, Elliott, Fallis, Fenton, Finlayson, Fisher, Garden, Gray, Graves, Haney, Harcourt, Henry, Hillmer, Ireland, Joynt, Keefer, Keith, Kemp, Kennedy (Peel), Lang, Lethbridge, Lewis, McBrien, McCausland, McCrea, McKeown, MacDiarmid, Mageau, Mahoney, Mark, Martin, Mewhinney, Milligan, Morel, Nesbitt, Nickle, Oakley, Oke, Owens, Pinard, Price, Proulx, Raney, Rankin, Ross, Rowe, Sewell, Sinclair, Spence, Sweet, Taylor, Tellier, Trewartha, Vaughan, Wallis, Weichel, Wigle, Wilson (Windsor), Willson (Niagara Falls)—77.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON RAILWAYS.

Honourable Mr. Ferguson, Messieurs Acres, Beck, Belford, Berry, Biggs, Black, Bowman, Bradburn, Callan, Carty, Chambers (Wellington), Clarke (Brockville), Clarke (Northumberland), Collier, Crawford, Currie, Ecclestone, Fallis, Fenton, Fisher, Gray, Hambly, Haney, Harcourt, Heenan, Hill, Hillmer, Ireland, Irvine, Jamieson (Simcoe), Joynt, Keith, Kennedy (Temiskaming), Kennedy (Peel), Lang, Lyons, McBrien, McCallum, McCrea, McKnight, MacDiarmid, Mageau, Mark, Mewhinney, Milligan, Monteith, Morel, Nesbitt, Nickle, Oakley, Oke, Owens, Patterson, Pinard, Price, Proulx, Ross, Sangster, Sewell, Spence, Stuart, Sweet, Taylor, Vaughan, Wallis, Wilson (Windsor), Willson (Niagara Falls), Wright—69.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON MUNICIPAL LAW.

Honourable Mr. Ferguson, Messieurs Acres, Armstrong, Beck, Belanger, Belford, Berry, Biggs, Black, Brackin, Bradburn, Bragg, Callan, Carty, Carr, Chambers (Wellington), Clarke (Brockville), Cooke, Currie, Ecclestone, Elliott, Fenton, Finlayson, Fisher, Freeborn, Garden, Godfrey, Goldie, Gray, Graves, Henry, Hillmer, Ireland, Jamieson (Grey), Jamieson (Simcoe), Keefer, Kemp, Kennedy (Peel), Lang, Lethbridge, Lewis, Lyons, McBrien, McCallum, McCausland, McCrea, McKeown, McKnight, MacBride, Mageau, Martin, Mewhinney, Monteith, Nesbitt, Nickle, Nixon, Oakley, Oke, Owens, Patterson, Pinard, Price, Proulx, Raney, Rankin, Ross, Rowe, Sewell, Sinclair, Stedman, Stuart, Tellier, Thompson (Lanark), Trewartha, Vaughan, Wallis, Weichel, Wigle, Wilson (Windsor), Wright—80.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON AGRICULTURE AND COLONIZATION.

Honourable Mr. Ferguson, Messieurs Armstrong, Beck, Belanger, Belford, Black, Bowman, Bragg, Callan, Carty, Chambers (Wellington), Chambers (Oxford), Collier, Cooke, Doherty, Ecclestone, Elliott, Fallis, Fenton, Godfrey, Goldie, Gray, Hamby, Henry, Hillmer, Irvine, Jamieson (Grey), Jamieson (Simcoe), Johnston, Joynt, Keith, Kemp, Kennedy (Temiskaming), Kennedy (Peel), Lang, McCallum, McKnight, MacDiarmid, Mageau, Mahoney, Mark, Martin, Mewhinney, Morel, Nixon, Oke, Patterson, Proulx, Rankin, Ross, Rowe, Sangster, Sewell, Stedman, Stuart, Taylor, Tellier, Thompson (Lanark), Trewartha, Vaughan, Wallis, Weichel, Widdifield, Wigle, Wright—65.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON PUBLIC ACCOUNTS.

Honourable Mr. Ferguson, Messieurs Acres, Beck, Belanger, Belford, Berry, Biggs, Bradburn, Carmichael, Carr, Clarke (Brockville), Clarke (Northumberland), Currie, Doherty, Ecclestone, Elliott, Finlayson, Fisher, Freeborn, Garden, Godfrey, Graves, Haney, Harcourt, Heenan, Henry, Hillmer, Ireland, Jamieson (Grey), Keefer, Keith, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, Lewis, Lyons, McCausland, McCrea, McKeown, MacBride, Mageau, Morel, Nesbitt, Nickle, Nixon, Oakley, Oke, Owens, Patterson, Price, Proulx, Raney, Rankin, Sinclair, Tellier, Vaughan, Wallis, Weichel, Widdifield, Wigle, Wilson (Windsor)—62.

The Quorum of said Committee to consist of seven Members.

COMMITTEE ON PRIVILEGES AND ELECTIONS.

Honourable Mr. Ferguson, Messieurs Bradburn, Carmichael, Carr, Currie, Doherty, Ecclestone, Elliott, Fisher, Freeborn, Garden, Goldie, Graves, Haney, Heenan, Keefer, Keith, Kemp, Lang, Lethbridge, Lewis, Lyons, McCausland, McCrea, McKeown, MacBride, MacDiarmid, Mageau, Milligan, Morel, Nesbitt, Nickle, Oakley, Owens, Pinard, Price, Proulx, Raney, Sinclair, Thompson (Lanark), Trewartha—41.

The Quorum of said Committee to consist of nine Members.

COMMITTEE ON FISH AND GAME.

Honourable Mr. Ferguson, Messieurs Armstrong, Belanger, Black, Bowman, Bradburn, Callan, Clarke (Northumberland), Colliver, Cooke, Currie, Ecclestone, Fenton, Finlayson, Garden, Goldie, Gray, Hambly, Haney, Harcourt, Ireland, Jamieson (Grey), Keefer, Keith, Kennedy (Temiskaming), Lang, Lyons, McCrea, McKeown, McKnight, MacDiarmid, Mark, Martin, Mewhinney, Morel, Oke, Pinard, Price, Ross, Spence, Stuart, Taylor, Tellier, Vaughan, Wallis, Weichel, Widdifield, Wigle, Willson (Niagara Falls)—49.

The Quorum of said Committee to consist of seven Members.

COMMITTEE ON LEGAL BILLS.

Honourable Mr. Ferguson, Messieurs Biggs, Brackin, Finlayson, Fisher, Haney, Keefer, McBrien, McCrea, McKeown, MacBride, Milligan, Nesbitt, Nickle, Nixon, Owens, Price, Proulx, Raney, Sinclair, Wilson (Windsor)—21.

The Quorum of said Committee to consist of five Members.

COMMITTEE ON LABOUR.

Honourable Mr. Ferguson, Messieurs Berry, Bradburn, Callan, Carr, Garden, Godfrey, Heenan, Keith, Lang, McCallum, MacBride, Nesbitt, Oakley, Pinard, Sangster, Spence, Vaughan, Weichel, Wright—20.

The Quorum of said Committee to consist of seven Members.

COMMITTEE ON PRINTING.

Honourable Mr. Ferguson, Messieurs Biggs, Carr, Currie, Fallis, Freeborn, Gray, Heenan, Irvine, Jamieson (Grey), Lang, Lewis, MacBride, Price, Proulx, Sinclair, Siedman, Thompson (Lanark), Wigle, Willson (Niagara Falls)—20.

The Quorum of said Committee to consist of five Members.

Resolved, That this House doth concur in the foregoing report.

Mr. Carmichael asked the following Question:—

1. Has there ever been, either during the regime of the former Conservative Government or under the present Government, a member of the Hydro-Electric Power Commission who was not a Conservative. 2. If so, who was he.

And the Premier replied in the words following:—

1. The Government has no better means of ascertaining the facts than the Member who asks the question. 2. Answered by reply to Question No. 1.

Mr. Carmichael asked the following Question:—

1. Did the present Government dismiss Mr. J. G. Ramsden from the Hydro-Electric Power Commission. 2. If so, when. 3. Were charges preferred against Mr. Ramsden. 4. If so, what were the charges.

And the Premier replied in the words following:—

1. Yes. 2. July 24th, 1923. 3. Mr. Ramsden was discharged for gross insolence in a letter to the Prime Minister. 4. Answered by the answer to the previous question.

Mr. Carmichael asked the following Question:—

1. What reports have been received by the present Government from the Hydro-Electric Commission of Inquiry. 2. When were they received in each case. 3. Why has publicity not been given to them. 4. When will the Government lay them on the table. 5. Does the Government intend to print them.

And the Premier replied in the words and figures following:—

1 and 2. The report of the Hydro-Electric Commission of Inquiry has not yet been received in full. Various sections of the Report were received on the dates indicated below:—

| | |
|--|-----------------|
| OTTAWA SYSTEM..... | Nov. 5th, 1923 |
| Engineering Data. (Study of Ottawa System)..... | “ “ “ |
| Report on Investigation of Accounts of Ottawa System. | “ “ “ |
| Statistics <i>re</i> Power Rates, Ottawa System..... | “ “ “ |
| COST OF MONEY ADVANCED..... | Oct. 24th, 1923 |
| Investigation of Provincial Accounts with reference to interest on cash advances..... | “ “ “ |
| WASDELLS SYSTEM..... | Oct. 31st, 1923 |
| Engineering Data. (Study of Wasdells System)..... | “ “ “ |
| Investigation of Accounts..... | “ “ “ |
| Summary of Statistics..... | “ “ “ |
| EXAMINATION OF AUDITOR'S REPORTS..... | Nov. 9th, 1923 |
| EUGENIA SYSTEM..... | Nov. 16th, 1923 |
| Engineering Data..... | “ “ “ |
| Investigation of Accounts..... | “ “ “ |
| Statistics of Power Rates..... | “ “ “ |

| | | | |
|---|-----------------|---|---|
| ONTARIO POWER CO. OF NIAGARA FALLS. | Nov. 20th, 1923 | | |
| Engineering Data. (Description of Plant)..... | " | " | " |
| Engineering Data. (Study of System)..... | " | " | " |
| Engineering Data. (Report on Conduit No. 1)..... | " | " | " |
| Engineering Data. (Report on Accident—April 20th, 1922)..... | " | " | " |
| Report on Investigation of Accounts..... | " | " | " |
| ST. LAWRENCE SYSTEM..... | Nov. 23rd, 1923 | | |
| Engineering Data. (Study of System)..... | " | " | " |
| Investigation of Accounts..... | " | " | " |
| Summary of Statistics..... | " | " | " |
| SEVERN SYSTEM..... | Nov. 26th, 1923 | | |
| Engineering Data..... | " | " | " |
| Investigation of Accounts..... | " | " | " |
| Summary of Statistics..... | " | " | " |
| RIDEAU SYSTEM..... | Nov. 30th, 1923 | | |
| Engineering Data. (Study of System)..... | " | " | " |
| Investigation of Accounts..... | " | " | " |
| Summary of Statistics..... | " | " | " |
| MUSKOKA SYSTEM..... | Dec. 4th, 1923 | | |
| Engineering Data..... | " | " | " |
| Investigation of Accounts..... | " | " | " |
| Summary of Statistics..... | " | " | " |
| NIAGARA SYSTEM..... | Dec. 8th, 1923 | | |
| Engineering Data—Part 1..... | " | " | " |
| Engineering Data—Part 2..... | " | " | " |
| Investigation of Accounts..... | " | " | " |
| Investigation of Capital Assets..... | " | " | " |
| Summary of Statistics <i>re</i> Power Rates and other rates.. | " | " | " |
| RADIAL RAILWAYS..... | Dec. 22nd, 1923 | | |
| Toronto-Port Credit Railway, Port Credit-St. Cath- arines Railway..... | " | " | " |
| Investigation of Accounts..... | " | " | " |
| THOROLD AND ESSEX SYSTEM AND BONNECHERE SYSTEM.. | Dec. 22nd, 1923 | | |
| Engineering Data. (Study of Thorold System)..... | " | " | " |
| Engineering Data. (Study of Essex System)..... | " | " | " |
| Engineering Data. (Study of Bonnechere Storage System)..... | " | " | " |
| Investigation of Accounts, Thorold System..... | " | " | " |
| Investigation of Accounts, Essex System..... | " | " | " |
| Investigation of Accounts, Bonnechere Storage System.. | " | " | " |
| HISTORY AND GENERAL RELATIONS..... | Dec. 21st, 1923 | | |

| | |
|--|-----------------|
| QUEENSTON-CHIPPAWA DEVELOPMENT..... | Dec. 21st, 1923 |
| Vol. I—(History and Description)..... | “ “ “ |
| QUEENSTON-CHIPPAWA DEVELOPMENT..... | Jan. 24th, 1924 |
| Vol. II—(Cost, Capacity and Operation)..... | “ “ “ |
| Engineering Data: | |
| Chap. “A”—Preface, | |
| Chap. “B”—History, | |
| Chap. “C”—Advisory Reports} | “ “ “ |
| Chap. “D”—Power Available..... | “ “ “ |
| Chap. “E”—General Description..... | “ “ “ |
| Chap. “F”—Organization..... | “ “ “ |
| Chap. “G”—Construction Work and Procedure.. | “ “ “ |
| Chap. “H”—Construction Plant, Concrete..... | “ “ “ |
| Chap. “H”—Construction Plant, Transportation. | “ “ “ |
| Chap. “H”—Construction Plant, Earth and Rock | |
| Excavation, Canal..... | “ “ “ |
| Chap. “H”—Construction Plant, Earth and Rock | |
| Excavation, Intake, etc..... | “ “ “ |
| QUEENSTON-CHIPPAWA DEVELOPMENT..... | Jan. 31st, 1924 |
| Vol. III—(Estimates and Appropriations)..... | “ “ “ |
| Vol. IV—(Reasons for Increased Cost)..... | “ “ “ |
| Chap. “J”—Quantities, Right-of-Way..... | “ “ “ |
| Chap. “J”—Quantities, Temporary Buildings, etc. | “ “ “ |
| Chap. “J”—Quantities, Buildings and Crossings.. | “ “ “ |
| Chap. “J”—Quantities, Summary..... | “ “ “ |
| Chap. “K”—Costs—Analysis of Expenditures to | |
| March 31st, 1922..... | “ “ “ |
| Chap. “K”—Costs—Analysis of Estimates, Part | |
| I, Text..... | “ “ “ |
| Chap. “K”—Costs—Analysis of Estimates, Part | |
| II, Appendices..... | “ “ “ |
| Chap. “L”—Evolution of the Development..... | “ “ “ |
| Chap. “M”—Discussions..... | “ “ “ |
| Review of Legislation affecting Power Undertakings.. | Jan. 24th, 1924 |
| Evidence—Eleven Volumes..... | Jan. 31st, 1924 |

3. These documents have not been given publicity because they have not been presented to this House, and they have not been presented because it is considered undesirable to bring down an incomplete Report.

4. Until the full Report has been received, this question cannot be answered.

5. This is a matter to be decided by the Printing Committee of the House.

Mr. Pinard asked the following Question:—

Who is J. P. Jaffray who has been appointed Emigration Agent at Glasgow. Upon whose recommendation was he appointed. What salary does he receive. What expenses is he allowed. What other remuneration does he receive, if any.

And the Minister of Agriculture replied in the words following:—

President in 1923 of the Ontario Horticultural Association. The Minister of Agriculture. Two hundred dollars *per* month. Travelling expenses while away from his headquarters at Glasgow. None.

Mr. Bragg asked the following Question:—

Is it the intention of the Government to appoint a Minister of Labour.

To which the Premier replied as follows:—

The Minister of Labour was sworn in with the other Members of the Government on July 16th, 1923.

Mr. Nixon asked the following Question:—

1. Do the regulations of the Ontario Police Force provide that no appointee to the Force shall at the time of his appointment be above a certain age. 2. If so, what is that age. 3. Have any appointments to the Force been made by the present Government of men who were above the age limit. 4. What appointments to the Ontario Police Force, including license inspectors, have been made by the present Government, and what was the name and age of each appointee when appointed. 5. Are the police regulations pursuant to the statute governing the Ontario Police Force.

To which the Attorney-General replied in the words and figures following:—

1 and 2. The regulations of the Ontario Provincial Police with regard to age are as follows:—

“5. No person shall be appointed to serve in the Ontario Provincial Police Force unless he . . .

(e) (except in special cases) is over 25 and under 40 years of age for Inspectors (O.T.A.) and over 25 and under 35 for Constables.”

3. Yes.

4. *Provincial Constables*—

| | |
|----------------|--------|
| Percy E. McCoy | Age 30 |
| Leo Sullivan | “ 38 |
| Tom Wilkinson | “ 27 |

The above are all returned soldiers.

Inspectors, O.T.A.—

| | |
|-------------------------|--------|
| William Walter Forsythe | Age 52 |
|-------------------------|--------|

Provincial Officers, O.T.A.—Temporary appointments (3 months)—

| | |
|-----------------------------------|--------|
| Lewis Webster Roach..... | Age 45 |
| Eugene S. Scratch (resigned)..... | " 51 |
| John Williamson..... | " 33 |
| Ernest Ebner Orser..... | " 39 |
| James Henry Bell..... | " 39 |
| Atholl Thomas White..... | " 35 |
| John Bradley..... | " 33 |
| Frederick Seymour Elliott..... | " 34 |
| Frederick Albert Jennings..... | " 58 |
| James A. Costello..... | " 46 |

5. These regulations were passed by the former Government by virtue of the Statute governing the Ontario Provincial Police Force.

Mr. Fisher asked the following Question:—

Is it the intention of the Government to adopt extraordinary and adequate measures to stamp out foul brood amongst bees in Ontario. If so, what measures are proposed.

And the Minister of Agriculture replied as follows:—

The matter is now receiving the attention of the Government. Full particulars will be announced when plans have been decided upon.

Mr. Carty asked the following Question:—

1. Have there been any appointments to the Civil Service by the present Government, of persons who were not Conservatives. 2. If so, who are the persons, and to what offices were they appointed.

To which the Premier replied in the words following:—

1. The Government is not aware of the politics of all the persons who have been appointed to office during its administration. 2. Answered by the reply to Question No. 1.

Mr. Raney asked the following Question:—

1. Have any changes been made by the present Government in the method, manner or system of enforcement of the Ontario Temperance Act. 2. If so, what are they.

And the Attorney-General replied in the words following:—

1. The present Government did not enjoy the confidence of the late Government as to its method, manner or system of enforcing the Ontario Temperance Act. 2. The present Government is enforcing the Act.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time, it was, on the Motion of Mr. Widdifield,

Ordered, That the Debate be further adjourned until Monday next.

The House then adjourned at 5.15 p.m.

Monday, February 18th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Keith, the Petition of John Wright and others of Scarborough.

By Mr. Wilson (Windsor), the Petition of the Essex Border Utilities Commission; also, the Petition of the Town Council of Sandwich; also, the Petition of the Town Council of Walkerville.

By Mr. Kennedy (Peel), the Petition of the Town Council of Brampton.

By Mr. McKeown, the Petition of the Presbyterian Church in Canada, the Methodist Church and the Congregational Union of Canada.

By Mr. Willson (Niagara Falls), the Petition of the City Council of Niagara Falls.

By Mr. Garden, the Petition of the Town Council of Dundas.

By Mr. Mahoney, the Petition of the Town Council of Dundas.

By Mr. Jamieson (Grey), the Petition of Joseph P. Savage of Oakville.

By Mr. Morel, the Petition of George N. Kilmer and others of Toronto.

The following Petitions were read and received:—

Of the City Council of Chatham, praying that an Act may pass respecting election of Municipal Officers.

Of the Ottawa Electric Railway Company, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Railroad City Y.M.C.A. of St. Thomas, praying that an Act may pass authorizing the City of St. Thomas to pass By-laws remitting taxes in arrears against the Y.M.C.A. property.

Of Samuel Herbert Rutlege and others of Orangeville; also, of the Lord Dufferin Chapter of the Imperial Order Daughters of the Empire and the Children of the Empire, Junior Branch, severally praying that an Act may pass to incorporate the Lord Dufferin Hospital and to sanction and confirm a Deed of Lands.

Of Henry Longhurst and others of Windermere, praying that an Act may pass to incorporate the Village of Windermere.

The Order of the Day for resuming the Adjourned Debate on the Motion for the consideration of the Speech of His Honour the Lieutenant-Governor, at the opening of the Session, having been read,

The Debate was resumed,

And after some time,

The Amendment, to the Amendment, having been put, was carried on the following division:—

YEAS.

| | | | |
|------------|-----------|-------------|------------|
| Acres. | Goldie. | Lyons. | Sangster. |
| Armstrong. | Gray. | McBrien. | Sinclair. |
| Belanger. | Graves. | McCausland. | Spence. |
| Belford. | Hambly. | McCrea. | Stedman. |
| Berry. | Haney. | McKeown. | Stuart. |
| Black. | Harcourt. | McKnight. | Sweet. |
| Brackin. | Henry. | MacBride. | Tellier. |
| Bradburn. | Hill. | MacDiarmid. | Thompson. |
| Bragg. | Hillmer. | Mahoney. | (Lanark) |
| Carr. | Ireland. | Mark. | Trewartha. |
| Chambers. | Irvine. | Martin. | Vaughan. |
| (Oxford) | Jamieson. | Mewhinney. | Wallis. |
| Colliver. | (Grey) | Milligan. | Weichel. |

YEAS—Continued

| | | | |
|-------------|---------------|------------|-----------------|
| Cooke. | Jamieson. | Monteith. | Wigle. |
| Crawford. | (Simcoe) | Nesbitt. | Wilson. |
| Currie. | Johnston. | Nickle. | (Windsor) |
| Ecclestone. | Joynt. | Oakley. | Willson. |
| Elliott. | Keefer. | Owens. | (Niagara Falls) |
| Fallis. | Keith. | Patterson. | Wright—83. |
| Ferguson. | Kennedy. | Pinard. | |
| Finlayson. | (Peel) | Price. | |
| Fisher. | Kennedy. | Proulx. | |
| Garden. | (Temiskaming) | Rankin. | |
| Godfrey. | Lewis. | Rowe. | |

NAYS.

| | | | |
|-------------|-------------|-----------|----------------|
| Biggs. | Fenton. | McCallum. | Ross. |
| Bowman. | Freeborn. | Nixon. | Sewell. |
| Callan. | Heenan. | Oke. | Taylor. |
| Carmichael. | Kemp. | Raney. | Widdifield—18. |
| Doherty. | Lethbridge. | | |

PAIRS.

Beck. Carty.

The Amendment, as amended, having been then put, was carried on the same division.

The original Motion, as amended, having been then put, was carried.

And it was

Resolved, That an humble Address be presented to His Honour the Lieutenant-Governor, as follows:—

To His Honour, Henry Cockshutt, Lieutenant-Governor of our Province of Ontario.

We, His Majesty's most dutiful and loyal subjects, the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us. That this House desires respectfully to assure Your Honour that the measures referred to in the Speech from the Throne, and especially those relating to Agriculture, will receive its most earnest and most helpful consideration.

The Address, having been read the second time, was agreed to.

Ordered, That the Address be engrossed and presented to His Honour the Lieutenant-Governor by those Members of this House who are Members of the Executive Council.

On motion of Mr. Price, seconded by Mr. Godfrey,

Ordered, That this House will on To-morrow resolve itself into the Committee of Supply.

Ordered, That this House will on To-morrow resolve itself into the Committee of Ways and Means.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Third Annual Report of the Public Service Superannuation Board for year ending October 31st, 1923. (*Sessional Papers, No. 56.*)

The House then adjourned at 8.55 p.m.

Tuesday, February 19th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Spence, the Petition of the City Council of Fort William.

By Mr. Tellier, the Petition of the Township Council of Rochester.

Mr. McKeown, from the Standing Committee on Standing Orders, presented their First Report, which was read as follows and adopted:—

Your Committee have carefully examined the following Petitions and find the Notices as published in each case sufficient:—

Of the City Council of Hamilton, praying that an Act may pass authorizing the Council to pass By-laws for the borrowing of certain moneys, and for other purposes.

Of Orion D. Barron of Amherstburg, praying that an Act may pass authorizing the Law Society of Upper Canada to admit him to practise as a Barrister and Solicitor.

Of James McLeod and others of Windsor, praying that an Act may pass adopting and validating a new Plan and Sub-division of certain land in the City of Windsor and confirming title thereto.

Of the Township Council of Etobicoke, praying that an Act may pass authorizing the construction of a sewer on Grand Avenue and for other purposes.

Of the Town Council of Ojibway, praying that an Act may pass to amend Act of incorporation and for other purposes.

Of the Town Council of Trenton, praying that an Act may pass to ratify and confirm a certain By-law in connection with the construction of Water Works.

Of Donald John Livingstone of the Town of Mount Forest, praying that an Act may pass authorizing the Law Society of Upper Canada to admit him as a five year student, and for other purposes.

Of the Township of Schreiber, praying that an Act may pass to ratify and confirm a certain Agreement between the Township and the Canadian Pacific Railway Company.

Of the Municipality of Shuniah, praying that an Act may pass to legalize and confirm all tax sales and deeds prior to 31st December, 1921.

Of the Village Council of Crystal Beach, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Kitchener-Waterloo Y.M.C.A. and the Kitchener Y.W.C.A., praying that an Act may pass to exempt them from Municipal taxation.

Of the City Council of Kitchener, praying that an Act may pass empowering the Council to pass By-laws regulating town planning.

Of the Councils of Kitchener and Waterloo, praying that an Act may pass enabling the Kitchener-Waterloo Hospital Trust to convey to the said Corporations all the real and personal estate belonging to the Trust.

Of the County Council of Waterloo, praying that an Act may pass to ratify and confirm By-law No. 822 authorizing the issue of debentures to defray cost of additions to the House of Refuge.

Of the Town Council of Waterloo, praying that an Act may pass authorizing the passing of certain By-laws relating to Town Planning.

Of the Town Council of Mount Forest, praying that an Act may pass to ratify and confirm a certain By-law.

Of St. Andrews Presbyterian Church, Peterborough, praying that an Act may pass authorizing the Trustees to mortgage certain lands and to validate a mortgage.

Of the City Council of Kitchener, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Town Council of Cobourg, praying that an Act may pass to ratify and confirm a certain By-law.

Of C. C. Allen and others of the Township of Sandwich West, praying that an Act may pass to incorporate the Town of La Salle.

Of the City Council of Chatham, praying that an Act may pass respecting the election of Municipal Officers.

Your Committee recommend that Rule No. 51 of your Honourable House be suspended in this, that the time for presenting Petitions for Private Bills be extended until and inclusive of Friday, the 29th day of February, instant.

Ordered, That the time for presenting Petitions for Private Bills be extended until and inclusive of Friday, the 29th day of February, instant.

The following Bills were severally introduced and read the first time:—

Bill (No. 1), intituled "An Act respecting the Municipality of Shuniah." *Mr. Keefer.*

Referred to the Committee on Private Bills.

Bill (No. 2), intituled "An Act respecting the Town of Cobourg." *Mr. Clarke (Northumberland.)*

Referred to the Committee on Private Bills.

Bill (No. 4), intituled "An Act respecting the Township of Schreiber." *Mr. Keefer.*

Referred to the Committee on Private Bills.

Bill (No. 5), intituled "An Act to incorporate the Town of La Salle." *Mr. Armstrong.*

Referred to the Committee on Private Bills.

Bill (No. 7), intituled "An Act respecting the City of Hamilton." *Mr. Garden.*

Referred to the Committee on Private Bills.

Bill (No. 8), intituled "An Act to authorize the Law Society of Upper Canada to admit Donald John Livingstone as a Student-at-Law." *Mr. Haney.*

Referred to the Committee on Private Bills.

Bill (No. 10), intituled "An Act respecting the County of Waterloo." *Mr. Weichel.*

Referred to the Committee on Private Bills.

Bill (No. 11), intituled "An Act respecting the Kitchener-Waterloo General Hospital." *Mr. Weichel.*

Referred to the Committee on Private Bills.

Bill (No. 14), intituled "An Act respecting the Village of Crystal Beach." *Mr. Willson (Niagara Falls.)*

Referred to the Committee on Private Bills.

Bill (No. 17), intituled "An Act respecting the City of Kitchener." *Mr. Weichel.*

Referred to the Committee on Private Bills.

Bill (No. 22), intituled "An Act respecting the Town of Waterloo." *Mr. Weichel.*

Referred to the Committee on Private Bills.

Bill (No. 26), intituled "An Act to amend the Act respecting the Town of Ojibway and to provide for the separation of the said Town from the County of Essex for municipal purposes." *Mr. Lewis.*

Referred to the Committee on Private Bills.

Bill (No. 28), intituled "An Act respecting the Township of Etobicoke." *Mr. Keith.*

Referred to the Committee on Private Bills.

Bill (No. 35), intituled "An Act to authorize the Law Society of Upper Canada to admit Orion Philip Barron to practise as a Barrister and Solicitor." *Mr. Wilson (Windsor.)*

Referred to the Committee on Private Bills.

Bill (No. 37), intituled "An Act respecting the Kitchener-Waterloo Young Men's Christian Association and the Young Women's Christian Association of Kitchener." *Mr. Weichel.*

Referred to the Committee on Private Bills.

Bill (No. 49), intituled "An Act respecting the Town of Mount Forest." *Mr. Jamieson (Grey.)*

Referred to the Committee on Private Bills.

Bill (No. 12), intituled "An Act respecting the City of Kitchener." *Mr. Weichel.*

Referred to the Committee on Private Bills.

Bill (No. 36), intituled "An Act to enable the Trustees of St. Andrew's Presbyterian Church, Peterborough, to sell or mortgage certain lands." *Mr. Bradburn.*

Referred to the Commissioners of Estate Bills.

Bill (No. 88), intituled "An Act to amend the Municipal Act." *Mr. Mageau.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 89), intituled "An Act to amend the Municipal Act." *Mr. Fisher.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 90), intituled "An Act to amend the Dog Tax and Sheep Protection Act." *Mr. Fisher.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 91), intituled "An Act to amend the Assessment Act." *Mr. MacDiarmid.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 92), intituled "An Act to amend the Municipal Act." *Mr. Stedman.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 93), intituled "An Act to encourage the Mining of Iron Ore." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 94), intituled "An Act to amend the Mining Tax Act." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 95), intituled "An Act to amend the Municipal Act." *Mr. Jamieson (Simcoe).*

Ordered, That the Bill be read the second time To-morrow.

Mr. Goldie presented to the House, by command of the Lieutenant-Governor:—

Public Accounts of the Province of Ontario for the twelve months ending October 31st, 1923. (*Sessional Papers No. 1.*)

Ordered, That the Public Accounts of the Province be referred to the Standing Committee on Public Accounts.

Mr. Ferguson delivered to Mr. Speaker a message from the Lieutenant-Governor, signed by himself; and the said message was read by Mr. Speaker, and is as follows:—

H. COCKSHUTT.

The Lieutenant-Governor transmits Supplementary Estimates of certain sums required for the service of the Province for the year ending 31st October, 1924, and recommends them to the Legislative Assembly.

GOVERNMENT HOUSE,

Toronto, February 19th, 1924.

(*Sessional Papers, No. 2.*)

Ordered, That the message of the Lieutenant-Governor, together with the estimates accompanying same, be referred to the Committee of Supply.

The Order of the Day for the House to resolve itself into the Committee of Supply, having been read,

Mr. Price moved,

That Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply.

And a Debate having ensued,

It was, on the motion of Mr. Fisher,

Ordered, That the Debate be adjourned until To-morrow.

The House then adjourned at 6.00 p.m.

Wednesday, February 20th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Haney, the Petition of the Dominion Alloy Steel Corporation, Limited.

The following Petitions were read and received:—

Of George N. Kilmer and others of Toronto, praying that an Act may pass to incorporate the Abitibi Railway and Navigation Company and for other purposes.

Of the Town Council of Brampton, praying that an Act may pass to enable the Town of Brampton to withdraw from the jurisdiction of the County Council of Peel.

Of the Town Council of Dundas, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Town Council of Dundas, praying that an Act may pass authorizing the withdrawal of the Town from the jurisdiction of the County of Wentworth.

Of the Essex Border Utilities Commission, praying that an Act may pass to amend Act Consolidating and for other purposes.

Of the City Council of Niagara Falls, praying that an Act may pass authorizing the Corporation to enter into a certain agreement with the Canadian National Railway.

Of Joseph P. Savage of Oakville, praying that an Act may pass authorizing him to practice Medicine, Surgery and Midwifery.

Of the Town Council of Sandwich, praying that an Act may pass to ratify and confirm certain debentures issued under By-law No. 1218.

Of the Presbyterian Church in Canada, the Methodist Church, and the Congregational Union of Canada, praying an Act may pass to unite them to form one body of Christians under the name of The United Church of Canada.

Of the Town Council of Walkerville, praying that an Act may pass to permit the establishing of a Fire Commission under separate management.

Of John Wright and others of Scarborough, praying that an Act may pass to incorporate a part of the Township of Scarborough as the Township of North Scarborough.

The following Bills were severally introduced and read the first time:—

Bill (No. 98), intituled "An Act to amend the Municipal Act." *Mr. Willson (Niagara Falls.)*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 99), intituled "An Act to amend the Ontario Voters' Lists Act." *Mr. Patterson.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 100), intituled "An Act to amend the Ontario Telephone Act, 1918." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 101), intituled "An Act to amend the Ontario Temperance Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 102), intituled "An Act to amend the law as to Contributory Negligence." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Mr. Raney asked the following Question:—

1. What payments have been made by the Shevlin-Clarke Company under the settlement of the claims of the Province of Ontario, made with that Company

in 1922, and what were the dates of the several payments. 2. Is the said Company at present indebted to the Province under the said settlement. 3. If so, in what amount, and since when. 4. Has any change been made in the terms of the said settlement. 5. If so, what change. 6. Has the Company suggested any change. 7. If so, what was the request.

To which the Minister of Lands and Forests replied in the words and figures following:—

1. May 3rd, 1922, \$250,000.00; May 31st, 1922, \$173,111.68; September 27th, 1922, \$131,874.33; October 13th, 1922, \$9,681.36; August 14th, 1923, \$80,432.80; August 20th, 1923, \$26,365.35; August 27th, 1923, \$26,365.35; September 7th, 1923, \$7,859.96. 2. No. 3. Answered by No. 2. 4. No. 5. Answered by No. 4. 6. No. 7. Answered by No. 6.

Mr. Proulx asked the following Question:—

What are the duties of one, J. I. Hart. What is his salary.

And the Minister of Lands and Forests replied as follows:—

The inspection of Crown Timber Agents and the supervision of Timber Operations. \$3,500.00 *per annum*.

Mr. Currie asked the following Question:—

1. Did the late Government, or this Government, receive any petition or petitions from the electors asking that a Referendum or Plebiscite be taken on the Liquor Laws of the Province. 2. How many signatures were attached to the petition. 3. When was the petition received. 4. Does the Government intend to take this petition into consideration. 5. Does the change of Government require another petition to be presented before consideration is given.

And the Premier replied in the words and figures following:—

1. Such a petition was presented to the late Government. 2. Approximately 150,000 signatures. 3. In the fall of 1921. 4 and 5. The policy of the Government has already been announced.

Mr. Raney asked the following Question:—

1. Did any member of the Government before the late election make a promise or statement to the effect that if a Conservative Government were elected there would be a referendum or plebiscite on the liquor question. 2. If so, what member or members of the Government made such statements or promises and when and where.

To which the Premier replied as follows:—

1. Every member of the Government gave assurances before the late election that, if a Conservative Government were elected, the present law could be properly enforced so long as it remained upon the Statute Books, and when public opinion warranted, a plebiscite would be submitted upon the question of liquor legislation. 2. This is not a matter of official record.

Mr. Carmichael asked the following Question:—

1. Has Mr. Hutchison, District Representative for Simcoe County, resigned. If so, for what reason. 3. Were his services satisfactory. 4. If not, in what respect were they unsatisfactory. 5. How long was he employed by Department. 6. Was there any charge that Mr. Hutchison had in any way acted in partisan manner while employed by the Government.

To which the Minister of Agriculture replied in the words following:—

1. Yes. 2. Letter of resignation did not give any reason. 3. No. 4. Complaints were received as to the unsatisfactory way in which he discharged some of his duties, as to lack of co-operation with other branches of the service, and as to other details which indicated general inefficiency. 5. Since May, 1918. 6. No.

Mr. Lethbridge asked the following Question:—

Does the Government intend to introduce a bill at this session of the legislature looking towards the improvement of the hotel accommodation of the Province.

To which the Premier replied in the affirmative.

The following Bills were severally read the second time:—

Bill (No. 72), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 64), To amend the Master and Servant Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 65), To amend the Libel and Slander Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 66), To amend the Mining Act of Ontario.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 67), To amend the Coroner's Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 68), To amend the Mortgages Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 69), To amend the Registry Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 71), To amend the Corporations Tax Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 74), Licensing and Regulating Dealers in Unwrought Metals.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 75), To amend the Ontario Railway Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 76), The Public Officers Fees Act, R.S.O., 1914, cap. 17.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 77), To amend the Administration of Justice Expenses Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 78), To amend the Billiard Room and Bowling Alley License Act, 1922.

Referred to a Committee of the Whole House To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of the University of Toronto Board of Governors for the year ending 30th June, 1923. (*Sessional Papers, No. 18.*)

The House then adjourned at 4.25 p.m.

Thursday, February 21st, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Graves, the Petition of Ridley College, St. Catharines.

By Mr. Freeborn, Three Petitions of the City Council of London.

The following Petition was read and received:—

Of the City Council of Fort William, praying that an Act may pass to ratify and confirm certain By-laws.

The following Bills were severally introduced and read the first time:—

Bill (No. 104), intituled "An Act to amend the Railway Employees and Commercial Travellers Voting Act, 1923." *Mr. MacDiarmid.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 105), intituled "The Stallion Enrolment Act." *Mr. Martin.*

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for resuming the Adjourned Debate on the Motion, That Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And after some time, it was, on the Motion of Mr. Nickle,

Ordered, That the Debate be adjourned until To-morrow.

The House resolved itself into a Committee to consider Bill (No. 64), To amend the Master and Servant Act, and, after some time spent therein, Mr.

Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 66), To amend the Mining Act of Ontario, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 71), To amend the Corporation Tax Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 78), To amend the Billiard Room and Bowling Alley License Act, 1922, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 77), To amend the Administration of Justice Expenses Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 76), The Public Officers Fees Act, R.S.O. 1914, cap. 17, and, after some time spent therein,

Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 74), Licensing and Regulating Dealers in Unwrought Metals, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 75), To amend the Ontario Railway Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 69), To amend the Registry Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 68), To amend the Mortgages Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 67), To amend the Coroner's Act, and, after some time spent therein, Mr. Speaker

resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 65), To amend the Libel and Slander Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Currie reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

Mr. Mageau asked the following Question:—

How much was collected in 1923 from the Land Transfer Act.

And the Provincial Treasurer replied as follows:—

For the fiscal year ended 31st October, \$474,804.65.

Mr. Tellier asked the following Question:—

How much was collected from the Amusement Tax during the last fiscal year.

To which the Provincial Treasurer replied in the figures following:—

\$1,269,306.20.

The House then adjourned at 5.45 p.m.

Friday, February 22nd, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Spence, the Petition of the Municipality of Neebing.

The following Petition was read and received:—

Of the Township Council of Rochester, praying that an Act may pass to ratify and confirm By-law No. 822 relating to issue of debentures.

Mr. Lewis, from the Standing Committee on Standing Orders, presented their Second Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Petitions and find the notices as published in each case sufficient:—

Of the City Council of Sault Ste. Marie, praying that an Act may pass to ratify and confirm certain By-laws and for other purposes.

Of the Township Council of North York, praying that an Act may pass to repeal 6 Geo. V, c. 75, respecting the Police Village of Kingsdale and to ratify and confirm a certain By-law.

Of Samuel Herbert Rutledge and others of Orangeville, praying that an Act may pass to incorporate the Lord Dufferin Hospital and to sanction and confirm a Deed of Land.

Of D. L. White and others of Midland, praying that an Act may pass to incorporate the Midland Young Men's Christian Association.

Of the Town Council of Sandwich, praying that an Act may pass to ratify and confirm certain debentures issued under By-law No. 1218.

Of the Town Council of Sioux Lookout, praying that an Act may pass to consolidate their floating debt.

Of the City Council of Fort William, praying that an Act may pass to ratify and confirm certain By-laws.

Of the Presbyterian Church in Canada, the Methodist Church and the Congregational Union of Canada, praying that an Act may pass to unite them

so as to form one body of Christians under the name of "The United Church of Canada."

Of the Town Council of Orillia, praying that an Act may pass to ratify and confirm certain By-laws and for other purposes.

Of the Town Council of Walkerville, praying that an Act may pass to permit the establishing of a Fire Commission under separate management.

Of the Essex Border Utilities Commission, praying that an Act may pass to amend Act Consolidating and for other purposes.

Of the Township Council of Stamford, praying that an Act may pass authorizing the passing of certain By-laws.

Of the Town Council of Oshawa, praying that an Act may pass enabling the Corporation to construct as a local improvement a pavement on Simcoe Street and for other purposes.

Your Committee recommend that Rule No. 51 of Your Honourable House be further suspended in this, that the time for presenting Petitions for Private Bills be further extended until and inclusive of Friday, the 7th day of March next, and that the time for introducing Private Bills be extended until and inclusive of Tuesday, the 11th day of March next.

Ordered, That the time for presenting Petitions for Private Bills be further extended until and inclusive of Friday, the 7th day of March next.

Ordered, That the time for introducing Private Bills be extended until and inclusive of Tuesday, the 11th day of March next.

The following Bills were severally introduced and read the first time:—

Bill (No. 3), intituled "An Act respecting the Town of Trenton." *Mr. Ireland.*

Referred to the Committee on Private Bills.

Bill (No. 46), intituled "An Act to incorporate the Midland Young Men's Christian Association." *Mr. Finlayson.*

Referred to the Committee on Private Bills.

Bill (No. 50), intituled "An Act to incorporate Lord Dufferin Hospital." *Mr. McKeown.*

Referred to the Committee on Private Bills.

Bill (No. 43), intituled "An Act respecting the Township of North York."
Mr. Keith.

Referred to the Committee on Private Bills.

Bill (No. 21), intituled "An Act respecting the City of Sault Ste. Marie."
Mr. Wallis.

Referred to the Committee on Private Bills.

Bill (No. 13), intituled "An Act respecting the Town of Sioux Lookout."
Mr. Heenan.

Referred to the Railway and Municipal Board.

Bill (No. 15), intituled "An Act respecting the Township of Stamford."
Mr. Willson (Niagara Falls.)

Referred to the Committee on Private Bills.

Bill (No. 45), intituled "An Act respecting the Town of Orillia." *Mr. Finlayson.*

Referred to the Committee on Private Bills.

Bill (No. 51), intituled "An Act respecting the Town of Oshawa." *Mr. Sinclair.*

Referred to the Committee on Private Bills.

Bill (No. 108), intituled "An Act to amend the Municipal Act." *Mr. Acres.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 109), intituled "An Act to amend the Statute Labour Act."
Mr. Finlayson.

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 110), intituled "An Act for the Establishment of the Department of Health." *Mr. Ferguson.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 111), intituled "An Act respecting Medical and Dental Inspection of Pupils in Public and Separate Schools." *Mr. Ferguson.*

Ordered, That the Bill be read the second time on Monday next.

Mr. Fisher asked the following Question:—

How many loans has this Government floated. What is the amount of each. On what dates were they sold. What was the amount per hundred realized. What was the rate of interest of each. What was the interest cost of each. Where were the loans sold.

To which the Provincial Treasurer replied in the words and figures following:—

One. \$40,000,000. October 6th, 1923. 95.8703. 5 *per cent.* 5.30 *per cent.* Canada.

Mr. Raney asked the following Question:—

1. Does the Government intend to advise the Lieutenant-Governor to proclaim the Sale of Securities Act. 2. If not, does the Government intend to introduce a Bill at this session of the Legislature to protect the public against fraudulent stock flotations. 3. If not, why not.

And the Premier replied in the words following:—

1. It is improper for any Member to ask the Government what advice it intends to tender to the Lieutenant-Governor. 2. This is under consideration. 3. Answered by the above.

Mr. Raney asked the following Question:—

1. Is it the policy of the Government, in making appointments to the Civil Service in the different ridings of the Province, to consult the sitting Member in each case, or to consult this sitting Member only when he is a supporter of the Government. 2. Has the Government, since it assumed office, made any appointment on the recommendation of a Member of the House not a supporter of the Government. 3. If so, in what case or cases. 4. Has the Government, since it assumed office, consulted or sought the advice of any Member of the House not a supporter of the Government in the matter of any appointment to the Civil Service. 5. If so, in what case or cases.

And the Premier replied as follows:—

1. In making appointments the Government consults the Minister in charge of the Department for which the appointment is required. 2. All appointments are made on the recommendation of the responsible Minister. 3, 4, and 5. Answered by the above.

On motion of Mr. Jamieson (Grey), seconded by Mr. Macdiarmid,

Ordered, That there be laid before this House a Return showing:—1. The number of motor vehicles purchased by the Government in each year since the first of such purchasing, giving:—(a) the name of each vehicle; (b) the price paid for the same; (c) the date of purchase; (d) the name of the person for whom purchased or who used the same; (e) the uses to which the same are put; and (f) the ultimate disposition of the motor vehicle. 2. The names of the chauffeurs appointed by the Province of Ontario since the first such employment, showing in each case:—(a) the duties of the chauffeur; (b) the hours of labour; (c) the salary paid to him; and (d) the amount allowed to him, in each year, for personal expenses.

On motion of Mr. Raney, seconded by Mr. Biggs,

Ordered, That there be laid before this House, a Return showing (a) of all correspondence between the Government, or any Member of it, and Mr. J. G. Ramsden, since the 15th of July last, and (b) for a similar return of all correspondence (if any) since the said date between the Hydro-Electric Power Commission of Ontario, or the chairman thereof, and Mr. J. G. Ramsden.

The following Bill was read the second time:—

Bill (No. 79), To repeal the Municipal Tax Exemption Act, 1920.

Referred to the Municipal Committee.

On motion of Mr. Price, seconded by Mr. Martin,

Ordered, That this House do forthwith resolve itself into a Committee of the Whole to consider certain proposed Resolutions respecting guarantee of payment of debentures on behalf of Ontario.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolutions, recommends them to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, 1. That the Lieutenant-Governor in Council may authorize the Treasurer of Ontario to guarantee payment on behalf of Ontario of the debentures issued or to be issued under:—

(a) By-law No. 584 of the Municipal Corporation of the Town of Haileybury providing for the borrowing of \$3,705.60 on the security of debentures of the Municipal Corporation of the Town of Haileybury for the purpose of paying for the cost of construction of cement sidewalks.

(b) By-law No. 587 of the Municipal Corporation of the Town of Haileybury authorizing the issue of debentures to the amount of \$15,000 for the purpose of erecting a fire hall and providing equipment in the Town of Haileybury.

(c) By-law No. 588 of the Municipal Corporation of the Town of Haileybury authorizing the issue of debentures to the amount of \$20,000 for the purpose of replacing the pumping station and equipment destroyed by fire in the Town of Haileybury.

(d) By-law No. 601 of the Municipal Corporation of the Town of Haileybury authorizing the issue of debentures to the amount of \$5,000 for the purpose of purchasing a motor fire engine and truck for the Town of Haileybury.

(e) By-law No. 603 of the Municipal Corporation of the Town of Haileybury providing for borrowing \$16,217.55 upon debentures to pay for the construction of cement sidewalks on the following streets:—

On the west side of Georgina Avenue from Browning Street to Elliott Street.

On the north side of Russell Street from Ferguson Avenue to Rorke Avenue.

On the south side of Russell Street from Ferguson Avenue to Georgina Avenue.

On the south side of Blackwall Street from Ferguson Avenue to Rorke Avenue.

On the south side of Marcella Street from Georgina Avenue to Rorke Avenue.

On the north side of Marcella Street from Meridian Avenue to Lake Shore Road.

On the north side of Browning Street from the westerly limit of Lot 5, Plan M-37, to the easterly limit of the T. N. & O. Railway right-of-way.

On the south side of Probyn Street from Lake Shore Road to Georgina Avenue.

On the north side of Probyn Street from Lake Shore Road to Brewster Street in the Town of Haileybury.

(f) By-law No. 604 of the Municipal Corporation of the Town of Haileybury providing for the borrowing of \$2,352.61 to defray the cost of certain water main extensions in the Town of Haileybury.

(g) By-law No. 605 of the Municipal Corporation of the Town of Haileybury providing for borrowing \$1,724.26 upon debentures to pay for the construction of a sanitary sewer on Main Street from the west limit of Lot 4 to the east limit of Lot 10, Blocks L and P M-13, and on Marcella Street from Rorke Avenue to the east limit of Lot 20, Block T, Plan M-13, in the Town of Haileybury.

(h) By-law No. 297 of the Municipal Corporation of the Town of Cochrane authorizing the borrowing of \$110,000.00 upon debentures to pay for extensions, improvements and alterations to and in the sewerage and waterworks systems of the Town of Cochrane.

(i) By-law No. — of the Municipal Corporation of the Town of Cochrane authorizing the borrowing of \$40,000.00 to complete the improvements and extensions to the waterworks and sewerage systems of the Town of Cochrane, undertaken and incorporated in By-law No. 297.

(j) Under By-laws of the Municipal Corporation of the Town of Kapuskasing and pursuant to 11 George V (Ontario), Chapter 36, by the Municipal Corporation of the Town of Kapuskasing, to the extent of not more than \$100,000.00 for waterworks, sewerage, local improvements or other municipal works.

2. That the form of guarantee and manner of its execution shall be determined by the Lieutenant-Governor in Council.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to certain Resolutions.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolutions as follows:—

Resolved, 1. That the Lieutenant-Governor in Council may authorize the Treasurer of Ontario to guarantee payment on behalf of Ontario of the debentures issued or to be issued under:—

(a) By-law No. 584 of the Municipal Corporation of the Town of Haileybury providing for the borrowing of \$3,705.60 on the security of debentures of the Municipal Corporation of the Town of Haileybury for the purpose of paying for the cost of construction of cement sidewalks.

(b) By-law No. 587 of the Municipal Corporation of the Town of Haileybury authorizing the issue of debentures to the amount of \$15,000 for the purpose of erecting a fire hall and providing equipment in the Town of Haileybury.

(c) By-law No. 588 of the Municipal Corporation of the Town of Haileybury authorizing the issue of debentures to the amount of \$20,000 for the purpose of replacing the pumping station and equipment destroyed by fire in the Town of Haileybury.

(d) By-law No. 601 of the Municipal Corporation of the Town of Haileybury authorizing the issue of debentures to the amount of \$5,000 for the purpose of purchasing a motor fire engine and truck for the Town of Haileybury.

(e) By-law No. 603 of the Municipal Corporation of the Town of Haileybury providing for borrowing \$16,217.55 upon debentures to pay for the construction of cement sidewalks on the following streets:—

On the west side of Georgina Avenue from Browning Street to Elliott Street.

On the north side of Russell Street from Ferguson Avenue to Rorke Avenue.

On the south side of Russell Street from Ferguson Avenue to Georgina Avenue.

On the south side of Blackwall Street from Ferguson Avenue to Rorke Avenue.

On the south side of Marcella Street from Georgina Avenue to Rorke Avenue.

On the north side of Marcella Street from Meridian Avenue to Lake Shore Road.

On the north side of Browning Street from the westerly limit of Lot 5, Plan M-37, to the easterly limit of the T. N. & O. Railway right-of-way.

On the south side of Probyn Street from Lake Shore Road to Georgina Avenue.

On the north side of Probyn Street from Lake Shore Road to Brewster Street in the Town of Haileybury.

(f) By-law No. 604 of the Municipal Corporation of the Town of Haileybury providing for the borrowing of \$2,352.61 to defray the cost of certain water main extensions in the Town of Haileybury.

(g) By-law No. 605 of the Municipal Corporation of the Town of Haileybury providing for borrowing \$1,724.26 upon debentures to pay for the construction of a sanitary sewer on Main Street from the west limit of Lot 4 to the east limit of Lot 10, Blocks L and P M-13, and on Marcella Street from Rorke Avenue to the east limit of Lot 20, Block T, Plan M-13, in the Town of Haileybury.

(h) By-law No. 297 of the Municipal Corporation of the Town of Cochrane authorizing the borrowing of \$110,000.00 upon debentures to pay for extensions, improvements and alterations to and in the sewerage and waterworks systems of the Town of Cochrane.

(i) By-law No. — of the Municipal Corporation of the Town of Cochrane authorizing the borrowing of \$40,000.00 to complete the improvements and extensions to the waterworks and sewerage systems of the Town of Cochrane, undertaken and incorporated in By-law No. 297.

(j) Under By-laws of the Municipal Corporation of the Town of Kapuskasing and pursuant to 11 George V (Ontario), Chapter 36, by the Municipal Corporation of the Town of Kapuskasing, to the extent of not more than \$100,000.00 for waterworks, sewerage, local improvements or other municipal works.

2. That the form of guarantee and manner of its execution shall be determined by the Lieutenant-Governor in Council.

The Resolutions having been read the second time, were agreed to, and referred to the Committee of the Whole House on Bill (No. 112), To authorize the Lieutenant-Governor in Council to guarantee the payment of certain debentures.

The following Bill was then introduced and read the first time:—

Bill (No. 112), intituled "An Act to authorize the Lieutenant-Governor in Council to guarantee the payment of certain debentures." *Mr. Price.*

Ordered, That the Bill be read the second time on Monday next.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Annual Report of the Commissioner of the Ontario Provincial Police for year ending October 31st, 1923. (*Sessional Papers, No. 57.*)

The House then adjourned at 4 p.m.

Monday, February 25th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Speaker informed the House:—

That the Clerk had received from the Commissioners of Estate Bills, their Report in the following case:—

Bill (No. 36), An Act to enable the Trustees of St. Andrew's Presbyterian Church, Peterborough, to sell or mortgage certain lands.

The Report was then read by the Clerk at the Table, as follows:—

ARTHUR H. SYDERE, ESQ.,

Clerk of the Legislative Assembly,

Toronto.

SIR,—

We, the undersigned, two of the Commissioners of Estate Bills, having considered Bill (No. 36), An Act to enable the Trustees of St. Andrew's Presbyterian Church, Peterborough, to sell or mortgage certain lands, report as follows:—

There can be no objection to declaring the mortgage in question valid, the sanction thereof by the Presbytery of Peterborough having been obtained, as appears by the Certificate of the Presbytery Clerk and the Statutory Declaration of one of the Trustees of the said Presbytery attached hereto.

We suggest there be inserted after the word "Church," in the sixteenth line of the Preamble and the third line of section two of the Bill, the words "and the Presbytery of Peterborough."

As the power to mortgage is the principal object of the Bill, we would suggest that all words enabling the trustees to sell be eliminated from section two of the Bill, namely, "to sell" in the fourth line of section two, "conveyances or" and "purchaser or" in the sixth line, and "purchase or" and "purchaser or" in the seventh and eighth lines of the same section.

If it is thought advisable to give the trustees the power to sell the lands vested in them, we think that power should be embodied in a separate section of the Act and be made subject to the approval of the Presbytery of Peterborough.

With the amendments indicated, your Commissioners approve the Bill and think it is reasonable that the Bill, so amended, should pass into Law, its

provisions being, in our opinion, proper for carrying the desired purpose into effect.

We are, Sir,

Your obedient servants,

F. R. LATCHFORD, C.J.,
W. E. MIDDLETON, J.,
Commissioners.

Toronto, 23rd February, 1924.

Ordered, That Bill (No. 36), To enable the Trustees of St. Andrew's Church, Peterborough, to sell or mortgage certain lands, be referred to the Committee on Private Bills, with instructions to consider the same with reference to the suggestions of the Commissioners of Estate Bills thereon.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Keith, the Petition of the Township Council of York.

By Mr. McCausland, the Petition of William Edwards-Macdonald of Toronto.

The following Petitions were read and received:—

Of the Municipality of Neebing, praying that an Act may pass to validate and confirm all sales of land made prior to 31st December, 1923, and to ratify and confirm By-laws.

Of Ridley College, St. Catharines, praying that an Act may pass to re-constitute as a Corporation with power to acquire and sell property.

Of the City Council of London, praying that the Assessment Act be amended relating to Transient Traders.

Of the City Council of London, praying certain amendments to the Assessment Act relating to the Business Tax.

Of the City Council of London, praying certain amendments to the Assessment Act respecting the Income Tax.

The following Bills were severally introduced and read the first time:—

Bill (No. 55), intituled "An Act to amend the City of Chatham Act, 1921." *Mr. Brackin.*

Referred to the Committee on Private Bills.

Bill (No. 57), intituled "An Act respecting the City of Windsor." *Mr. Wilson (Windsor.)*

Referred to the Committee on Private Bills.

Bill (No. 114), intituled "An Act to amend the Public Health Act." *Mr. Garden.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 115), intituled "An Act to amend the Assessment Act." *Mr. Garden.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 116), intituled "An Act to amend the Municipal Act." *Mr. Keith.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 117), intituled "An Act to amend the Assessment Act." *Mr. Milligan.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 118), intituled "An Act to amend the Division Courts Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 119), intituled "An Act to amend the Registry Act." *Mr. Garden.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 120), intituled "An Act to amend the Local Improvement Act." *Mr. Garden.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 121), intituled "An Act to amend the Municipal Act." *Mr. Garden.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 122), intituled "An Act to amend the Ontario Railway Act."
Mr. Garden.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 123), intituled "An Act to amend the Ontario Highway Act."
Mr. Henry.

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 73), To amend the University Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 80), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 93), To Encourage the Mining of Iron Ore.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 94), To amend the Mining Tax Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 102), To amend the Law as to Contributory Negligence.

Referred to a Committee of the Whole House To-morrow.

The House then adjourned at 5.20 p.m.

Tuesday February 26th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Lewis, from the Standing Committee on Standing Orders, presented their Third Report, which was read as follows and adopted:—

Your Committee have carefully considered the following petitions and find the notices as published in each case sufficient:—

Of the City Council of Windsor, praying that an Act may pass providing for the creation of a Recreation Commission.

Of the Township Council of Rochester, praying that an Act may pass to ratify and confirm By-law No. 822 *re* issue of debentures.

Of the Town Council of North Bay, praying that an Act may pass to consolidate the floating indebtedness of the Town and to authorize the issue of debentures.

Of the Town Council of Goderich, praying that an Act may pass to empower the Corporation to raise by way of loan the sum of \$25,000 to pay off the floating debt.

Of the Municipality of Neebing, praying that an Act may pass to validate and confirm all sales of land made prior to 31st December, 1923.

Of Joseph P. Savage, of Oakville, praying that an Act may pass authorizing him to practice medicine, surgery and midwifery.

Of the Town Council of New Toronto, praying that an Act may pass authorizing the raising of certain moneys for sanitary conveniences.

Of the City Council of Toronto, praying that an Act may pass to validate a grant to the Japan relief fund and for other purposes.

Of the City Council of Ottawa, praying that an Act may pass empowering the Corporation to expropriate land for the purpose of the Royal Ottawa Sanatorium.

The following Bills were severally introduced and read the first time:—

Bill (No. 6), intituled "An Act to consolidate the Floating Debt of the Town of Goderich." *Mr. Wigle.*

Referred to the Railway and Municipal Board.

Bill (No. 9), intituled "An Act respecting the Town of North Bay." *Mr. Morel.*

Referred to the Railway and Municipal Board.

Bill (No. 33), intituled "An Act to authorize Joseph P. Savage to practice Medicine, Surgery and Midwifery." *Mr. Jamieson (Grey.)*

Referred to the Committee on Private Bills.

Bill (No. 19), intituled "An Act respecting the Union of certain Churches herein named." *Mr. McKeown.*

Referred to the Committee on Private Bills.

Bill (No. 39), intituled "An Act respecting the City of Toronto." *Mr. Vesbitt.*

Referred to the Committee on Private Bills.

Bill (No. 44), intituled "An Act respecting the City of Ottawa Sanatorium." *Mr. Fisher.*

Referred to the Committee on Private Bills.

Bill (No. 83), intituled "An Act respecting the Town of Sandwich." *Mr. Wilson (Windsor.)*

Referred to the Committee on Private Bills.

Bill (No. 124), intituled "An Act to amend the Public Health Act." *Mr. Bradburn.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 125), intituled "An Act to amend the Public School Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day, that Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time, it was, on the motion of Mr. Belanger,

Ordered, That the Debate be further adjourned until To-morrow.

The House then adjourned at 5.55 p.m.

Wednesday, February 27th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Kennedy (Peel), the Petition of the Township Council of Toronto

The following Petitions were read and received:—

Of the Township Council of York, praying that an Act may pass to enable the construction and operation of a Street Railway System and for other purposes.

Of William Edwards-Macdonald of Toronto, praying that an Act may pass to authorize the Law Society of Upper Canada to admit him as a Student in his third year.

Mr. Nickle, from the Standing Committee on Private Bills, presented their First Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 4), An Act respecting the Township of Schreiber.

Bill (No. 14), An Act respecting the Village of Crystal Beach.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 1), An Act respecting the Municipality of Shuniah.

Bill (No. 7), An Act respecting the City of Hamilton.

Bill (No. 28), An Act respecting the Township of Etobicoke.

The following Bill was introduced and read the first time:—

Bill (No. 87), intituled "An Act respecting the City of Fort William.
Mr. Spence.

Referred to the Committee on Private Bills.

The following Bills were severally read the second time:—

Bill (No. 88), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 89), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 90), To amend the Dog Tax and Sheep Protection Act.

Referred to the Municipal Committee.

Bill (No. 92), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 95), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 98), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 99), To amend the Ontario Voters' Lists Act.

Referred to the Municipal Committee.

The Order of the Day, that Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time,

Mr. Belanger moved, in amendment, seconded by Mr. Lang,

That all the words of the Motion after the first word "That" be struck out and the following substituted therefor: "in view of the increasing expenditure necessary to meet the obligations of the Province, this House urges the Government to exercise the most rigid economy and to so administer the finances of the Province that the Budget may be balanced yearly."

And a Debate having arisen, it was, on the motion of Mr. Currie,

Ordered, That the Debate be further adjourned until To-morrow.

The House then adjourned at 5.50 p.m.

Thursday, February 28th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Bills were severally introduced and read the first time:—

Bill (No. 81), intituled "An Act to amend the Consolidated Essex Border Utilities Act." *Mr. Wilson (Windsor.)*

Referred to the Committee on Private Bills.

Bill (No. 82), intituled "An Act respecting the Town of Walkerville." *Mr. Wilson (Windsor.)*

Referred to the Committee on Private Bills.

Bill (No. 96), intituled "An Act respecting the Township of Rochester." *Mr. Tellier.*

Referred to the Committee on Private Bills.

Bill (No. 127), intituled "An Act to amend the Municipal Act." *Mr. Lewis.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 128), intituled "An Act to amend the Assessment Act." *Mr. Keefer.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 129), intituled "An Act to amend the Ditches and Watercourse Act." *Mr. Gray.*

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day, that Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply, having been read.

The Debate was resumed,

And, after some time, it was, on the motion of Mr. Nixon,

Ordered, That the Debate be further adjourned until To-morrow.

The House then adjourned at 5.45 p.m.

Friday, February 29th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Haney, the Petition of the Holmes Foundry Company of Point Edward.

The following Petition was read and received:—

Of the Township Council of Toronto, praying that an Act may pass to establish restricted districts and for other purposes.

The following Bills were severally introduced and read the first time:—

Bill (No. 107), intituled "An Act respecting the Municipality of Neebing." *Mr. Spence.*

Referred to the Committee on Private Bills.

Bill (No. 130), intituled "The Warehousemen's Lien Act, 1924." *Mr. Owens.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 131), intituled "An Act to amend the Municipal Act." *Mr. Owens.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 132), intituled "An Act to amend the Ontario Elections Act." *Mr. MacDiarmid.*

Ordered, That the Bill be read the second time on Monday next.

Mr. Raney asked the following Question:—

1. What amount has been realized by the Province of Ontario from the tax on wagers on the race tracks of Ontario, each year, since the tax was instituted. 2. What was the total amount wagered on all the race tracks of Ontario in respect of which returns have been made to the Government for each year since the law required such returns to be made.

And the Provincial Treasurer replied in the figures following:—

1. 1922, \$2,212,220.00; 1923, \$1,821,963.72. 2. 1920, \$42,164,546.00; 1921, \$56,778,596.00; 1922, \$44,244,400.00; 1923, \$36,439,269.00.

Mr. Raney asked the following Question:—

1. Does the Province of Ontario own all the capital stock of the Ontario Power Company. 2. If not, who are the owners of the capital stock not owned by the Province of Ontario, and in what amounts respectively. 3. Who are the Directors of the said Company. 4. Do the Directors own any of the capital stock of the Company in their own right. 5. If so, in what amounts respectively, and when did they acquire it, and from whom. 6. If not, how do they qualify as Directors. 7. Are salaries paid to the Directors of the Ontario Power Commission out of the earnings of the Hydro-Electric Power System. 8. If so, to whom, in what amounts, and by what authority. 9. If not paid out of the earnings of the Hydro-Electric Power System, how are they paid.

1. No. 2. The Hydro-Electric Power Commission of Ontario holds all the stock of the Ontario Power Company. 3. Sir Adam Beck, Hon. J. R. Cooke, W. W. Pope, F. A. Gaby, J. W. Gilmour and W. G. Pierdon. 4. No. 5. Answered by Number 4. 6. Fifty shares each allotted, in trust, to the Directors at a meeting of the shareholders. 7. There are no Directors of the Ontario Power Commission. The Directors of the Ontario Power Company are not paid as such. 8. Answered by Number 7. 9. Answered by Number 7.

Mr. Fenton asked the following Question:—

1. Have any members of the present Government occupied living apartments in the Parliament building during the time of the present Government. 2. If so, (a) what members; (b) what apartments; and (c) during what time in each case.

To which the Premier replied as follows:—

None, except on a few occasions, when Council sat until almost midnight. The Minister of Public Works, suffering from indisposition which has culminated in his present illness, occupied a room formerly used as a bedroom rather than motor home in the cold night, and Mr. Martin similarly used a room in the rear of his office.

Mr. Raney asked the following Question:—

1. Who were the commissioners appointed by the late Government to revise the statutes of Ontario. 2. What was the date of the commission. 3.

Did the present Government withdraw the commission. 4. If so, for what reason. 5. Does the Government intend to appoint a new commission for the revision of the statutes.

To which the Attorney-General replied in the words following:—

1. The Honourable Sir William Ralph Meredith, Chief Justice of Ontario (since deceased); the Honourable William Edward Middleton, one of the Judges of the Supreme Court of Ontario; the Honourable William Alexander Logie, one of the Judges of the Supreme Court of Ontario; the Honourable Herbert McDonald Mowat, one of the Judges of the Supreme Court of Ontario; Colin G. Snider, K.C., formerly Judge of the County Court of the County of Wentworth; His Honour, Daniel O'Connell, one of the Judges of the County Court of the County of York; the members of the Executive Council; every member of the Legislative Assembly recognized by the Speaker thereof as being leader of an opposition group of fifteen or more members of the said Assembly; Allan Malcolm Dymond, K.C.; Edward Bayly, K.C.; William Bruce Wilkinson, K.C., and Augustin Noverre Middleton, barrister-at-law. 2. Ninth of June, 1923. 3. Yes. 4. On the ground of economy as it was thought that the membership of such commission was too large. 5. Yes.

Mr. Fenton asked the following Question:—

1. Is the sum of \$95,392, being part of the moneys payable to the Separate Schools of Ontario for the year 1922 under the system of distribution of Government grants to public and separate schools, adopted by the Conservative Government in 1917, and paid into Court in the fall of 1922, to abide the decision of a case to be stated to determine the rights of the separate school to such moneys, still in Court. 2. What was the date of payment into Court. 3. Has a case been stated for submission to the Court. 4. If so, what questions is the Court being asked to decide, and when does the Government expect this case to be ready for hearing. 5. What was the amount of money payable to the separate schools of the Province for the year 1923 under the system adopted in 1917. 6. Was the whole of this amount paid over to the separate schools. 7. If not, what amount of money was held back and where is that money now. 8. What is the amount of money payable to the separate schools for 1923 which will be affected by the case to be stated for the Court. 9. If the moneys paid into Court in 1922 have been paid out of Court when were they paid out and to whom. 10. Have protests been received against the withholding of these moneys from the separate schools and, if so, from whom. 11. Have objections been made to the payment of these moneys into Court or their payment over to the separate schools, and, if so, from whom. 12. Does the Government intend to enter the case in Court and to pursue it to a conclusion. 13. Does the Government intend to bring down any legislation on this subject.

To which the Premier replied as follows:—

1. Yes. 2. October 26th, 1922. 3. No. 4. Answered by above. 5. \$192,713.90. 6. No. 7. (a) Approximately \$102,000; (b) returned to con-

solidated revenue in accordance with the terms of subsections 1 and 2 of section 6 of the Department of Education Act. 8. The amount of money for 1923 to be affected by any Court decision will be approximately \$96,374. 9. Answered by Number 1. 10. No. 11. No. 12. The Government is following the law as enacted by the Legislature and understands that an action, in behalf of Separate Schools, by persons interested in such schools will be entered to determine unsettled questions. 13. No.

Mr. Fenton asked the following Question:—

1. Has W. A. McLean been displaced as Deputy Minister of Highways. 2. If so, for what reason. 3. By whom was he displaced. 4. If Mr. McLean has been displaced, on what date did he leave the Department. 5. On what date did Mr. McLean first enter the Civil Service. 6. (a) What position did he hold in the service; (b) for what period. 7. (a) Does Mr. McLean come under the Ontario Public Superannuation Act; (b) if so, for what amount per year; (c) and from what date do the payments date. 8. If Mr. McLean's case does not come under the Act, what provision is the Government making for him. 9. (a) Have any protests been received regarding Mr. McLean's displacement; (b) If so, from whom.

And the Premier replied in the words and figures following:—

1. W. A. McLean resigned the office of Deputy Minister of Highways. 2. Because of the necessity for re-organization of the Department. 3. S. L. Squire. 4. October 6th, 1923. 5. May, 1896. 6. (a) Deputy Minister of Highways; (b) January 18th, 1916. 7. (a) No.; (b) answered by 7(a); (c) answered by 7 (a). 8. Amendment to the Superannuation Act. 9. (a) No. (b) answered by 9 (a).

Mr. Lethbridge asked the following Question:—

1. Who is the Deputy Minister of Highways. 2. (a) When was he appointed; (b) is he a fully qualified engineer; (c) from what university, if any, did he graduate. 3. What salary is he paid. 4. (a) Is the present Deputy Minister an officer in any good roads association; (b) if so, what association; (c) what salary does he receive from such association. 5. (a) Is the present Deputy Minister of Highways the same gentleman who conducted the present Prime Minister's election campaign in the last provincial election; (b) if not, did he render any service in connection with the said election and what was it; (c) was he paid for such service and, if so, how much and by whom. 6. (a) Was he at the date of the late election a member of the Provincial Superannuation Board and in receipt of a stipend from the Province; (b) if so, how much.

And the Premier replied in the words and figures following:—

1. S. L. Squire. 2. (a) October 8th, 1923; (b) No; (c) None. 3. \$5,100 per year. 4. (a) Yes; (b) Canadian Good Roads Association and Ontario Good

loads Association; (c) None. 5. (a) He did not conduct Prime Minister's election campaign; (b) Spoke at several meetings; (c) No. 6. (a) Yes; (b) \$15.00 for each Board meeting.

Mr. Carmichael asked the following Question:—

1. What is the total amount of money spent by the Hydro-Electric Power Commission on the Queenston-Chippawa construction to date. 2. How many miles of rural primary transmission lines have been built by the Hydro-Electric Power Commission under the Rural Hydro-Electric Distribution Act, 1921, and amendments thereto. 3. How many miles of secondary construction. 4. How many rural customers are served. 5. How many hamlet customers are served. 6. What is the total cost to date (a) to the Hydro-Electric Power Commission; (b) to the Government.

To which the Premier replied in the words and figures following:—

1. \$70,399,165.79. 2. Approximately one thousand miles. 3. Not possible to give secondary construction in miles as it is covered by transformers, service and necessary equipment to these lines. 4. Approximately 3,919. 5. Approximately 5,480. 6. (a) Hydro-Electric Power Commission lines constructed and under construction, \$1,554,481.05; (b) \$639,726.97.

Mr. Nixon asked the following Question:—

1. What were the special circumstances in each case to justify the appointments of the following inspectors, Ontario Temperance Act, at the ages set opposite their names, respectively: William Walter Forsythe, age 52; Frederick Albert Jennings, age 58; Lewis Webster Roach, age 45; James A. Costello, age 46. 2. For what districts, respectively, were these men appointed, and what was the date of appointment in each case. 3. Did members of the House recommend these appointments. 4. If so, what member or members in each case. 5. Were these appointments recommended by (a) the Commissioner of Police; (b) the Chairman of the Board of License Commissioners.

And the Attorney-General replied as follows:—

1. It was thought that these men had the ability to render advantageous service in enforcing the Ontario Temperance Act. 2. William W. Forsythe, appointed 12th September, 1923, for the County of Wentworth; Frederick A. Jennings, appointed 1st February, 1924, for the district of East Lambton; Lewis W. Roach, appointed 1st November, 1923, for County of Essex; James A. Costello, re-appointed 12th September, 1923, for County of Stormont; and 4. There is no record of members of the House having recommended these appointments. 5. With the exception of James A. Costello, re-appointed, these appointments were recommended both by the Commissioner of Police and the Chairman of the Board of License Commissioners.

Mr. Nixon asked the following Question:—

1. To what districts, respectively, were the following inspectors, Ontario Temperance Act, as enumerated at page 73 of the Votes and Proceedings appointed: John Williamson, Ernest Ebner Orser, James Henry Bell, Athol Thomas White, John Bradley, Frederick Seymour Elliott. 2. What member or members, of the House recommended the said appointments respectively. 3. Were the said appointments recommended by (a) the Commissioner of Police; (b) the Chairman of the Board of License Commissioners.

And the Attorney-General replied as follows:—

1. John Williamson, Hamilton; Ernest E. Orser, Windsor; James H. Bell, Headquarters, Toronto; Athol T. White, Headquarters, Toronto; John Bradley, Tweed, County of Hastings; Frederick S. Elliott, Lambton West. 2. There is no record of members of the House having recommended these appointments. 3. The said appointments were recommended by both the Commissioner of Police and the Chairman of the Board of License Commissioners.

Mr. Lethbridge asked the following Question:—

1. Was the questionnaire that was issued by the Board of License Commissioners to clergymen, as printed in the Board's annual report for 1922, sent to all the clergymen in Ontario, Protestant, Roman Catholic, and Jewish. 2. How were the manufacturers selected to whom the questionnaire of the Board, as printed in its report, was sent.

To which the Attorney-General replied as follows:—

1. The questionnaires were sent to all clergymen whose names and addresses could be obtained, including the following: Anglicans, Baptists, Catholics, Congregationalists, Methodists, Presbyterians, Salvation Army. 2. The manufacturers were selected from the published list of the members of the Manufacturers' Association of Canada, and the questionnaire was sent to all members whose addresses were within the Province of Ontario.

Mr. Pinard asked the following Question:—

1. What is the intention of the Government in respect to bringing into force and making operative the Co-operative Savings Society Act passed in 1923. 2. Is it the intention of the Government to emerge this Act with the Loan Companies Act.

And the Premier replied as follows:—

1. Matter is under consideration. 2. Answered by Question Number 1.

Mr. Lethbridge asked the following Question:—

1. What was (a) the amount of the fine imposed; (b) the date of the conviction; and (c) the name of the police magistrate who dealt with a case arising in the County of Simcoe of Rex versus Mains for an offence against the Criminal Code of Canada committed within the past two or three years. 2. What was the nature of the offence of which the defendant was convicted. 3. Has any application been made to the present Government for a return, or for a recommendation for a return of the said fine. 4. If so, who made the application, and who supported it. 5. Was it made or supported by any member of the present House. 6. Has the said fine or any part of it been returned to the defendant or to anyone else. 7. If so, what is the date of the cheque, to whom was it sent, and what endorsements now appear upon it. 8. Who represented the defendant as counsel on the trial of the case before the police magistrate. 9. Has the present Government taken any action in the matter of the said fine in the said case. 10. If so, what action. 11. Has there been any order in council in the matter, and, if so, what is its date.

And the Attorney-General replied as follows:—

1. (a) \$500.00; (b) April 11th, 1922; (c) Frank Cook. 2. Gross indecency. No. 3. 4 and 5. Answered by Number 3. 6. No. 7. Answered by Number 3. 8. G. S. Dudley. 9. No. 10. Answered by Number 9. 11. No.

Mr. Sewell asked the following Question:—

1. Has the Government estimated the probable cost to the Province of a referendum on the liquor question. 2. If so, what is the estimate.

And the Premier replied in the negative.

Mr. Lethbridge asked the following Question:—

1. Has the Government handed over to one Reinhardt, a brewer, or to anyone else, a quantity of liquors that were seized by Government officers in the year 1921 or the year 1922. 2. (a) What was the quantity of liquors handed over; (b) what was their value. 3. Where were the liquors kept from the date of their seizure until their delivery over. 4. What were the dates, respectively, of the seizure of the liquors and of their delivery over by the Government. 5. To whom were the liquors delivered and on whose order. 6. Who made the application for the delivery of the said liquors. 7. Was it verbal or written. 8. By whom was it supported. 9. Was it supported by any Member of this legislature. 10. If so, by what Member or Members. 11. Was there an order or orders in council for the delivery of the said liquor, and, if so, what was its date. 12. Did anyone make an application or applications to the Government

in the year 1921 or 1922 or the first half of 1923 for the return of the liquors above referred to. 13. By whom were such applications made. 14. Did the Board of License Commissioners consider such application or applications and report to the late Government against the giving up of such liquors. If so, on what date or dates. 15. Were there any facts before the Government in 1922 when the order for delivery up was made that were not before the Board of License Commissioners on the previous applications. 16. If so, what were they.

And the Attorney-General replied:—

1. No. 2 to 11. Answered by Number 1. 12. No. 13 to 16. Answered by Numbers 1 and 12.

Mr. Raney asked the following Question:—

1. Were the O'Keefe Beverage Company, Limited, and the John Labatt Brewery Company, Limited, prosecuted in the Toronto Police Court on the 15th instant for breaches of the Ontario Temperance Act. 2. How many informations were laid against each Company. 3. What were the specific charges. 4. What quantities of liquor were involved in each case as laid. 5. Did the defendants respectively plead guilty, and, if so, to how many charges. 6. What penalties did the Court impose. 7. Did the Court propose to impose a penalty of \$1,000 on the O'Keefe Company, and was the penalty on request of the representative of the Department of the Attorney-General reduced to \$200. 8. Why did the Attorney-General propose or consent to the imposition of minimum penalties in these cases. 9. Were informations against these companies withdrawn; if so, how many cases were withdrawn and why. 10. Was there an agreement, bargain, or understanding between the Attorney-General, or his representative, and the said Companies or either of them before the said cases were heard as to what disposition should be made of them. 11. Were there previous convictions against either of these companies in the Court of Ontario. 12. If so, how many and at what places. 13. Was the action that was taken in the cases against these companies on the 15th instant taken with the knowledge and approval of the Attorney-General.

And the Attorney-General replied as follows:—

1. Yes. 2. Labatt's, four; O'Keefe's four. 3. Selling intoxicating liquor. 4. Samples of liquor taken from hotels. 5. Each defendant pleaded guilty to one charge. 6. \$200.00 and costs against each defendant. 7. The Court mentioned a penalty of \$1,000 when one of the officers of the Department stated that the penalty of \$200 would be satisfactory. 8. On account of the lack of reliable and sufficient evidence to sustain the charge. 9. Yes. Three informations were withdrawn against each company because of lack of satisfactory evidence. 10. It was understood that a plea of guilty in one charge would be accepted, and the other charges would be withdrawn. 11. Yes. 12. Two against Labatt's at Windsor; two against O'Keefe's at Uxbridge and one in Toronto. 13. Yes. Upon the advice of the Chairman of the Board of License Commissioners.

Mr. Widdifield asked the following Question:—

1. How much has been realized by the Province from the tax on race tracks each year since this tax was instituted, including the year 1923.

To which the Provincial Treasurer replied in the figures following:—

Daily Tax—1911, \$15,790.25; 1912, \$17,290.25; 1913, \$17,200.00; 1914, \$2,250.00; 1915, \$42,350.00; 1916, \$136,265.00; 1917, \$100,723.50; 1918, \$60.00; 1919, \$100.00; 1920, \$770,410.00; 1921, \$770,440.00; 1922, \$69,910.48; 1923, \$670,774.53. Total, \$3,353,664.01.

Mr. Sewell asked the following Question:—

1. How many (a) justices of the peace, (b) coroners, and (c) notaries public, respectively, have been appointed by the present Government since it came into office, and where are they located in each case. 2. How many, and, if any, of these appointees were known to the Government to be (a) Liberals in politics, or (b) supporters of the late Government at the time of their appointment.

And the Attorney-General replied as follows:—

1. (a) 50; (b) 8; (c) 14 non-professional notaries public located as follows: Justices of the Peace—Algoma, 2; Carleton, 2; Cochrane, 1; Essex, 1; Frontenac, 1; Grey, 1; Huron, 1; Hastings, 1; Lambton, 1; Lanark, 1; Leeds and Grenville, 3; Lennox and Addington, 1; Lincoln, 1; Muskoka, 2; Middlesex, 1; Nipissing, 2; Peel, 2; Peterborough, 4; Prince Edward, 2; Prescott and Russell, 1; Parry Sound, 1; Simcoe, 2; Stormont, 2; Thunder Bay, 3; Toronto, 4; York, 4; Welland, 1. Coroners—Essex, 1; Kent, 1; Lincoln, 1; Leeds and Grenville, 1; Parry Sound, 1; Perth, 1; Waterloo, 1; York, 1. Non-professional Notaries Public—Aultsville, 1; Bayfield, 1; Bridgeburg, 1; Emo, 1; Huntsville, 1; Kenora, 1; Moose Creek, 1; Niagara Falls, 1; Russell, 1; Toronto, 5. 2. The Government does not know the politics of the appointees.

Mr. Sewell asked the following Question:—

1. Was there an officer named Costello on the Provincial Police Force when the present Government came into office. 2. Where was he located. 3. Who was his district inspector. 4. Did his district inspector recommend him for dismissal or suspension. 5. If so, on what date and for what reasons. 6. Did the Commissioner of Police recommend him for dismissal or suspension. 7. If so, on what date and for what reasons. 8. Was he dismissed. 9. If so, when. 10. If not, what action was taken by the Government. 11. If Costello was suspended, was his suspension lifted, and, if so, when. 12. Is Costello now a

member of the Provincial Police Force. 13. If so, (a) what is the date of his reinstatement or reappointment; (b) where is he now located; (c) who is his district inspector; (d) is he employed in the enforcement of the Ontario Temperance Act. 14. Is Officer Costello a brother of the T. M. Costello who was the Conservative candidate at the late provincial election in the Riding of South Renfrew. 15. Is Mr. T. M. Costello a partner of Hon. T. W. McGarry, late Provincial Treasurer of Ontario. 16. Did Mr. McGarry or Mr. T. M. Costello recommend the reappointment or reinstatement of Officer Costello.

To which the Attorney-General replied as follows:—

1. Yes. Provincial Officer O.T.A. Costello. 2. Cornwall. 3. District Inspector Jordon. 4. No. 5. Answered by Number 4. 6. No. 7. Answered by Number 6. 8. No. 9. Answered by Number 8. 10. The appointment was of a temporary nature and was not renewed at the expiration of the last temporary period of appointment, July 28th, 1923. 11. Answered by Numbers 4 and 7. 12. He is, as formerly, a Provincial Officer, O.T.A. 13. (a) September 15th, 1923; (b) at Lorneville (Stormont County); (c) District Inspector Jordon. (d) yes. 14. Yes. 15. No record in the Department. 16. No record in the Department.

Mr. Raney asked the following Question:—

1. Has the Attorney-General given instructions for an appeal to the Judicial Committee of the Privy Council in the cases of the Home Bank directors. What are the points involved in the appeal. 3. Is the Attorney-General objecting to the trial of the cases in question by a judge. 4. If so, why. 5. If an appeal is being taken, when does the Attorney-General anticipate it will be heard. 6. Has the Attorney-General given consideration to the importance from the point of view of the administration of justice, of an early trial of these cases. 7. Has the Attorney-General given consideration to the desirability of a trial of these cases before a tribunal as free as possible from prepossession and prejudices. 8. Has the Attorney-General given consideration to the provisions of section 1025 of the Criminal Code of Canada forbidding appeals in criminal cases from any judgment or order of any Court in Canada to the Judicial Committee of the Privy Council. 9. Is it the opinion of the Attorney-General that the defendants are less likely to get a fair trial before a judge than before a judge and jury.

And the Attorney-General replied as follows:—

1. Yes in respect of the Bank Act charges. 2. The correctness of the Court of Appeal decision. 3. Yes. 4. Desires a trial by jury. 5. Impossible to foretell the future with exactness. 6. Yes. 7. Yes. 8. Yes. 9. An improper question.

Mr. Raney asked the following Question:—

1. Was the revenue payable by the race tracks for the year ending 31st October last all collected before that date. 2. If not, which associations failed

to pay. 3. Have such associations since paid their arrears. 4. Is there anything owing now to the Province from any of the Ontario race tracks. 5. If so, by which ones.

And the Treasurer replied as follows:—

1. Yes, except for a balance of \$2,716 owing by the Hamilton Jockey Club regarding which there is some dispute, as they are claiming rebate with respect to purses for Canadian-bred horses during the year 1921. 2, 3, 4 and 5. Answered by Number 1.

Mr. Doherty asked the following Question:—

1. What is the percentage, if any, of arrears of interest or principal on loans due and owing for one month, or more, on the 31st day of October last to the Agricultural Development Board.

And the Minister of Agriculture replied:—

1. 3.15 *per cent.*

Mr. Kemp asked the following Question:—

1. Has the Government discovered cases of theft or defalcation in the Government service. 2. (a) Who are the offenders; (b) in what departments; (c) in what amounts; (d) when were the thefts or defalcations committed; (e) when, in each case, were the offenders appointed to the Government service. 3. Have the offenders been prosecuted. 4. If so, with what results. 5. Have the losses been made good. 6. If so, by whom in each case. 7. Were the offences facilitated by defective bookkeeping or auditing methods. 8. If so what were the defects.

And the Premier replied:—

The first question is answered in the affirmative. It is not in the public interest, for the present, to answer the other questions.

On motion of Mr. Sewell, seconded by Mr. Carty,

Ordered, that there be laid before the House a return showing: 1. How many appointments to the Civil Service (not including coroners, notaries public, or justices of the peace) have been made by order in council since the present Government came into office. 2. What are the names of the appointees, and to what offices or places have they been appointed. 3. How many, and, if any, which of these appointees were known by the Government at the time of their

appointments respectively to have been (a) Liberals in politics, or (b) supporters of the Government which resigned office in July of 1923.

The following Bills were severally read the second time:—

Bill (No. 91), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 104), To amend the Railway Employees and Commercial Travellers Voting Act, 1923.

Referred to the Municipal Committee.

Bill (No. 114), To amend the Public Health Act.

Referred to the Municipal Committee.

Bill (No. 115), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 120), To amend the Local Improvement Act.

Referred to the Municipal Committee.

Bill (No. 122), To amend the Ontario Railway Act.

Referred to the Railway Committee.

Bill (No. 124), To amend the Public Health Act.

Referred to the Municipal Committee.

Bill (No. 4), Respecting the Township of Schrieber.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 14), Respecting the Village of Crystal Beach.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 1), Respecting the Municipality of Shuniah.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 7), Respecting the City of Hamilton.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 28), Respecting the Township of Etobicoke.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 100), To amend the Ontario Telephone Act, 1918.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 105), The Stallion Enrolment Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 110), For the establishment of the Department of Health.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 111), Respecting Medical and Dental Inspection of Pupils in Public and Separate Schools.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 112), To authorize the Lieutenant-Governor in Council to guarantee the payment of certain debentures.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 123), To amend the Ontario Highway Act.

Referred to a Committee of the Whole House on Monday next.

The House resolved itself into a Committee to consider Bill (No. 73), To amend the University Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Keefer reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 93), To encourage the Mining of Iron Ore, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Keefer reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 94), To amend the Mining Tax Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Keefer reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Monday next.

The Order of the Day for the second reading of Bill (No. 121), To amend the Municipal Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The House then adjourned at 5.20 p.m.

Monday, March 3rd, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petition was read and received:—

Of the Holmes Foundry Company of Point Edward, praying that an Act may pass to ratify and confirm a certain By-law and Assessment.

The following Bill was introduced and read the first time:—

Bill (No. 133), intituled "An Act to amend the Municipal Act." *Mr. Bradburn.*

Ordered, That the Bill be read the second time To-morrow.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 4), Respecting the Township of Schreiber.

Bill (No. 14), Respecting the Village of Crystal Beach.

Bill (No. 1), Respecting the Municipality of Shuniah.

Bill (No. 7), Respecting the City of Hamilton.

Bill (No. 28), Respecting the Township of Etobicoke.

Mr. Speaker resumed the Chair; and Mr. Carr reported, That the Committee had directed him to report the several Bills without Amendments.

Ordered, That the Bills reported be severally read the third time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 116), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 117), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 127), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 128), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 129), To amend the Ditches and Watercourses Act.

Referred to the Municipal Committee.

The Order of the Day, that Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And, after some time, it was, on the motion of Mr. Taylor,

Ordered, That the Debate be further adjourned until To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Statement and Report of the Ontario Athletic Commission and of the Auditor thereof for the year ending 31st October, 1923. (*Sessional Papers, No. 59.*)

Also—Report of the Provincial Board of Health for the year 1923. (*Sessional Papers, No. 21.*)

Also—Third Annual Report of Commission under The Extramural Employment of Sentenced Persons Act, 1923. (*Sessional Papers, No. 60.*)

Also—Report of The Ontario Board of Parole for the year ending 31st October, 1923. (*Sessional Papers, No. 24.*)

Also—Statement showing all sums credited to the Highway Improvement Fund and all sums chargeable thereto for the year ending 31st October, 1923. (*Sessional Papers, No. 15.*)

Also—Report on the Mining Industry in that part of the Province of Ontario served by The Temiskaming and Northern Ontario Railway Commission for the years 1922 and 1923. (*Sessional Papers, No. 61.*)

The House then adjourned at 10.55 p.m.

Tuesday, March 4th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Bills were severally introduced and read the first time:—

Bill (No. 18), intituled "An Act respecting certain lands situate on Goyeat Street in the City of Windsor." *Mr. Wilson (Windsor.)*

Referred to the Committee on Private Bills.

Bill (No. 134), intituled "An Act to amend the Municipal Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 135), intituled "An Act to amend the Agricultural Societies Act." *Mr. Martin.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 136), intituled "An Act to amend the Act for the suppression of Foul Brood among Bees." *Mr. Martin.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 137), intituled "An Act to amend the Municipal Franchise Act, 1922." *Mr. Clark (Brockville.)*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 138), intituled "An Act to amend the Municipal Act." *Mr. Fisher.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 139), intituled "An Act to amend the Local Improvement Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time To-morrow.

The Orders of the Day being called:

Mr. Doherty rose in his place and requested Mr. Speaker to express his opinion and ruling upon the subject of the Petition presented to him on the twelfth day of February last, relating the official Opposition in the Legislature.

Mr. Speaker, in reply to the request, addressed the House as follows:—

"I can only say that it is my wish as it is my duty in the Chair, to allay party feeling if I can."

1. With reference to the Petition of the Honourable Member for East Kent, and certain other Honourable Members of the Assembly, which was laid on the Table on the twelfth day of February, 1924, I would say that, after having given the matter very careful consideration and regarding the Petition as sufficient evidence for the purpose, I, as Speaker, do now recognize the Honourable Member for East Kent as Leader of an Opposition group of fifteen or more Members in the Legislature within the meaning and for the purpose mentioned in subsection 3 of section 75 of the Legislative Assembly Act as enacted by the Legislative Assembly Amendment Act of 1920.

2. With reference to that part of the Petition asking me as Speaker to recognize the said Opposition group "as constituting the majority party in

this House after the Government, and therefore the chief Opposition in the House," I would say that my power under the Act is limited to the recognition of a Member as leader of an Opposition group of fifteen or more Members.

3. I do not see that there is anything to be gained by making a change in the seating arrangement nor do I think it would conduce to harmony among the Members while probably proving a hindrance to the transaction of the business of the House. I can, however, assure the Honourable Member for East Kent and his followers in the House that it will be my pleasure to see that they are afforded every convenience and accommodation which it is within my power to provide, and that I shall be glad at all times to be consulted on any matter which might conduce to their comfort.

4. Further, the Petition requests that I give a direction to the Clerk of the House that it be printed in the journals of the House. To this request I cannot accede as the Petition contains an allegation against the Prime Minister which is not founded on fact.

Speaking of the law dealing with the recognition by the Speaker of an Opposition group in the Assembly, the Petition says:—

"In ignoring this law and in assuming to instruct the Speaker of the House to ignore it, the Prime Minister has been guilty of an act of lawlessness against which our only recourse is an appeal to you, etc."

The Prime Minister never at any time assumed to, in any way, instruct the Speaker of this House to ignore any law, nor has he spoken to the Speaker in regard to this Petition.

The Order of the Day, that Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And the House having continued to sit until Twelve of the clock midnight.

WEDNESDAY, 5TH MARCH, 1924.

The Debate continued.

And, after some time, it was on the motion of Mr. Sinclair,

Ordered, That the Debate be further adjourned until the next sitting of the House To-day.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Annual Report of the Department of Labour for 1923. (*Sessional Papers, No. 16.*)

The House then adjourned at 12.10 a.m.

Wednesday, March 5th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Nesbitt, the Petition of the City Council of Toronto.

By Mr. Wilson (Windsor), the Petition of the Ontario Asphalt Block Company.

Mr. Lewis, from the Standing Committee on Standing Orders, presented their Fourth Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Petitions and find the notices as published in each case sufficient:—

Of the Town Council of Dundas, praying that an Act may pass authorizing the withdrawal of the Town from the jurisdiction of the County of Wentworth.

Of the City Council of London, praying that an Act may pass authorizing the passage of a By-law to amend By-law No. 6486 *re* construction of Sanitary Sewers and for other purposes.

Of the Town Council of Oakville, praying that an Act may pass to consolidate the floating indebtedness.

Of the Town Council of Georgetown, praying that an Act may pass to consolidate the floating debt.

Of the Master Horseshoers and Carriage Builders' Association, of Toronto, praying that an Act may pass to provide for licensing of master and journeymen horse shoers and for their proper examination.

Of George Laturney of the City of Kingston, praying that an Act may pass to authorize the Law Society of Upper Canada to admit him to practise as a Barrister and Solicitor.

Of Henry Longhurst, and others of Windermere, praying that an Act may pass to incorporate the Village of Windermere.

Of the City Council of St. Thomas, praying that an Act may pass empowering the Council to extend a certain mortgage and for other purposes.

Of Ridley College of St. Catharines, praying that an Act may pass to re-constitute as a Corporation with power to acquire and sell property.

Of the Town Council of Brampton, praying that an Act may pass to enable the Town of Brampton to withdraw from the jurisdiction of the County Council of the County of Peel.

Of the Ottawa Electric Railway Company, praying that an Act may pass to ratify and confirm a certain By-law.

Of the City Council of Ottawa, praying that an Act may pass to authorize the borrowing of certain moneys and for other purposes.

Your Committee recommend that Rule No. 51 of Your Honourable House be further suspended in this, that the time for presenting Petitions for Private Bills be further extended until and inclusive of Tuesday, the 18th day of March, instant.

Ordered, That the time for presenting Petitions for Private Bills be extended until and inclusive of Tuesday, the 18th day of March, instant.

The following Bills were severally introduced and read the first time:—

Bill (No. 16), intituled "An Act respecting the Town of Oakville. *Mr. Hillmer*.

Referred to the Railway and Municipal Board.

Bill (No. 29), intituled "An Act to enable the Town of Dundas to withdraw from the jurisdiction of the Council of the County of Wentworth." *Mr. Garden.*

Referred to the Committee on Private Bills.

Bill (No. 32), intituled "An Act to consolidate the floating debt of the Town of Georgetown." *Mr. Hillmer.*

Referred to the Railway and Municipal Board.

Bill (No. 38), intituled "An Act respecting the practice of Horseshoeing." *Mr. Oakley.*

Referred to the Committee on Private Bills.

Bill (No. 48), intituled "An Act respecting the City of London." *Mr. Elliott.*

Referred to the Committee on Private Bills.

Bill (No. 25), intituled "An Act respecting the Ottawa Electric Railway Company." *Mr. Pinard.*

Referred to the Committee on Private Bills.

Bill (No. 34), intituled "An Act to incorporate the Village of Windermere." *Mr. Ecclestone.*

Referred to the Committee on Private Bills.

Bill (No. 52), intituled "An Act respecting the City of Ottawa." *Mr. Pinard.*

Referred to the Committee on Private Bills.

Bill (No. 53), intituled "An Act respecting the City of St. Thomas." *Mr. Macdiarmid.*

Referred to the Committee on Private Bills.

Bill (No. 85), intituled "An Act to enable the Town of Brampton to withdraw from the jurisdiction of the County Council of the County of Peel." *Mr. Kennedy (Peel.)*

Referred to the Committee on Private Bills.

Bill (No. 103), intituled "An Act to incorporate Ridley College." *Mr. Graves.*

Referred to the Committee on Private Bills.

Bill (No. 142), intituled "An Act to amend the Municipal Act." *Mr. Wright.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 143), intituled "An Act to amend the Municipal Act." *Mr. Willson (Niagara Falls.)*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 144), intituled "An Act to amend the Registry Act." *Mr. Finlayson.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 109), To amend the Statute Labour Act.

Referred to the Municipal Committee.

Bill (No. 132), To amend the Ontario Election Act.

Referred to the Legal Committee.

The Order of the Day for resuming the Adjourned Debate on the motion, That Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed.

And, after some time,

The amendment, having been again put, was lost on the following division:—

YEAS.

| | | | |
|------------------|-------------|------------|----------------|
| Belanger. | Fisher. | Mageau. | Sewell. |
| Biggs. | Freeborn. | Mewhinney. | Sinclair. |
| Carmichael. | Kemp. | Nixon. | Taylor. |
| Clarke. | Lang. | Pinard. | Tellier. |
| (Northumberland) | Lethbridge. | Proulx. | Wallis. |
| Doherty. | McCallum. | Sangster. | Widdifield.—23 |

NAYS.

| | | | |
|--------------|------------|---------------|-----------------|
| Acres. | Ferguson. | Keith. | Owens. |
| Armstrong. | Finlayson. | Kennedy. | Patterson. |
| Belford. | Godfrey. | (Peel) | Price. |
| Berry. | Goldie. | Kennedy. | Rankin. |
| Black. | Gray. | (Temiskaming) | Rowe. |
| Bradburn. | Graves. | Lewis. | Spence. |
| Carr. | Hambly. | Lyons. | Stedman. |
| Chambers. | Haney. | McBrien. | Stuart. |
| (Oxford) | Harcourt. | McCausland. | Sweet. |
| Chambers. | Hill. | McCrea. | Thompson. |
| (Wellington) | Hillmer. | MacBride. | (Lanark) |
| Clarke. | Ireland. | MacDiarmid. | Trewartha. |
| (Brockville) | Irvine. | Mahony. | Vaughan. |
| Colliver. | Jamieson. | Mark. | Weichel. |
| Cooke. | (Grey) | Martin. | Wigle. |
| Crawford. | Jamieson. | Milligan. | Wilson. |
| Currie. | (Simcoe) | Monteith. | (Windsor) |
| Ecclestone. | Johnston. | Morel. | Willson. |
| Elliott. | Joynt. | Nesbitt. | (Niagara Falls) |
| Fallis. | Keefer. | Oakley. | Wright.—70 |

PAIRS.

| | |
|---------------|---------|
| McKeown | Bragg |
| Garden | Carty |
| Beck | Fenton |
| Henry | Brackin |
| Nickle | Raney |

The main motion, having been then submitted, was carried on a division, and the House accordingly resolved itself into Committee.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1924, the following sum:—

117 To defray the expenses of the Civil Government.....\$96,167 59

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a Resolution; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of the Inspector of Division Courts for the year 1923. (*Sessional Papers, No. 5.*)

Also—Report of The Agricultural Societies and of the Convention of the Association of Fairs and Exhibitions for 1923. (*Sessional Papers, No. 39.*)

Also—Report of Ontario Veterinary College for the year 1923. (*Sessional Papers, No. 52.*)

The House then adjourned at 6.15 p.m.

Thursday, March 6th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Lang, the Petition of the Township Council of Tisdale.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Second Report which was read as follows and adopted;

Your Committee beg to report the following Bills without amendment;

Bill (No. 46), An Act to incorporate The Midland Young Men's Christian Association.

Bill (No. 37), An Act respecting the Kitchener-Waterloo Young Men's Christian Association and the Young Women's Christian Association of Kitchener.

Bill (No. 10), An Act respecting the County of Waterloo.

Bill (No. 50), An Act to incorporate Lord Dufferin Hospital.

Bill (No. 12), An Act respecting the City of Kitchener.

Your Committee beg to report the following Bills with certain amendments:

Bill (No. 11), An Act respecting the Kitchener-Waterloo General Hospital.

Bill (No. 36), An Act to enable the Trustees of St. Andrew's Presbyterian Church, Peterborough, to sell or mortgage certain lands.

Bill (No. 43), An Act respecting the Township of North York.

Your Committee recommend that the fees, less the actual cost of printing, be remitted on Bills No. 10, "An Act respecting the County of Waterloo"; No. 11, "An Act respecting the Kitchener-Waterloo General Hospital"; No. 36, "An Act to enable the Trustees of St. Andrew's Presbyterian Church, Peterborough, to sell or mortgage certain lands"; No. 37, "An Act respecting the Kitchener-Waterloo Young Men's Christian Association and the Young Women's Christian Association of Kitchener"; No. 46, "An Act to incorporate The Midland Young Men's Christian Association"; No. 50, "An Act to incorporate Lord Dufferin Hospital," on the ground that they relate to religious, charitable or educational institutions.

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 10), Respecting the County of Waterloo; Bill (No. 11), Respecting the Kitchener-Waterloo General Hospital; Bill (No. 36), St. Andrew's Presbyterian Church, Peterborough; Bill (No. 37), Respecting the Kitchener-Waterloo Y.M.C.A. and the Y.W.C.A. of Kitchener; Bill (No. 46), To incorporate the Midland Y.M.C.A. and Bill (No. 50), To incorporate the Lord Dufferin Hospital.

The following Bill was introduced and read the first time:—

Bill (No. 30), intituled "An Act respecting the Town of New Toronto."
Mr. Nesbitt.

Referred to the Committee on Private Bills.

The Order of the Day for the second reading of Bill (No. 101), To amend the Ontario Temperance Act, having been read,

Mr. Nickle moved,

That the Bill be now read the second time.

Mr. Doherty moved in amendment, seconded by *Mr. Raney*,

That all the words of the motion, after the first word "That," be struck out and the following substituted therefor: "the Bill be not now read the second time, but be read the second time on this day six months."

And a Debate having ensued, it was, on the motion of Mr. Belanger,

Ordered, That the Debate be adjourned until Tuesday next.

The House then adjourned at 11.55 p.m.

Friday, March 7th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Graves, the Petition of the General and Marine Hospital of St. Catharines.

The following Petitions were read and received:—

Of the City Council of Toronto, praying that an Act may pass to authorize the Corporation to pass certain By-laws and for other purposes.

Of the Ontario Asphalt Block Company, praying that an Act may pass for the purpose of establishing a certain right of way.

Mr. McKeown, from the Standing Committee on Municipal Law, presented their First Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Bill and beg to report the same without amendment:—

Bill (No. 90), An Act to amend The Dog Tax and Sheep Protection Act.

The following Bills were severally introduced and read the first time:—

Bill (No. 147), intituled "An Act to amend the Assessment Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 148), intituled "An Act to amend the Planning and Development Act." *Mr. Fisher.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 149), intituled "An Act to amend the Assessment Act." *Mr. Rowe.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 150), intituled "An Act to amend the Local Improvement Act." *Mr. Tellier.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 151), intituled "An Act to amend the Local Improvement Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 152), intituled "An Act to amend the Assessment Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time on Monday next.

The following Bills were severally read the second time:—

Bill (No. 50), To incorporate the Lord Dufferin Hospital.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 36), To enable the Trustees of St. Andrew's Presbyterian Church, Peterborough, to sell or mortgage certain lands.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 119), To amend the Registry Act.

Referred to the Legal Committee.

Bill (No. 130), The Warehousemen's Lien Act, 1924.

Referred to the Legal Committee.

Bill (No. 133), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 134), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 135), To amend the Agricultural Societies Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 136), To amend the Act for the Suppression of Foul Brood among Bees.

Referred to a Committee of the Whole House on Monday next.

The Order of the Day for the second reading of Bill (No. 118), To amend the Division Courts Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The House resolved itself into a Committee to consider Bill (No. 102), To amend the Law as to Contributory Negligence, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Keefer reported, That the Committee had directed him to report the Bill, with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 103), The Stallion Enrolment Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Keefer reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1924, the following sums:—

| | | |
|-----|--|--------------|
| 119 | To defray the expenses of the Administration of Justice, Supreme Court of Ontario..... | \$200 00 |
| 120 | To defray the expenses of the Sundry Civil and Criminal Justice..... | \$19,860 20 |
| 121 | To defray the expenses of the Administration of Justice in Districts..... | \$4,193 49 |
| 208 | To defray the expenses of the Game and Fisheries..... | \$39,701 15 |
| 209 | To defray the expenses of the Attorney-General's Department—Miscellaneous..... | \$5,000 00 |
| 210 | To defray the expenses of the Treasury Department—Miscellaneous..... | \$37,400 00 |
| 214 | To defray the expenses of the Refund Account..... | \$145,286 14 |
| 206 | To defray the expenses of the Department of Labour..... | \$68,100 00 |

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received on Monday next.

Resolved, That the Committee have leave to sit again on Monday next.

The House then adjourned at 5.40 p.m.

Monday, March 10th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Nesbitt, the Petition of the Black Eagle Gold Mining Company.

The following Petitions were read and received:—

Of the Township Council of Tisdale, praying for authority to pass By-laws for licensing, regulating and governing traffic and rates of fare within certain Townships in the District of Cochrane.

Of the St. Catharines General and Marine Hospital, praying that an Act may pass to reconstruct the Hospital as a Corporation and to validate a By-law.

On motion of Mr. Ferguson, seconded by Mr. Price,

Ordered, That the undermentioned names be added to the following Standing Committees: *Fish and Game*, Messrs. Belford, Mageau, Graves and Wright; *Agriculture*, Messrs. Acres and Wright; *Municipal*, Mr. Bragg; *Private Bills*, Mr. Bragg.

The following Bills were severally introduced and read the first time:—

Bill (No. 154), intituled "An Act to amend the Assessment Act." *Mr. Lewis*.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 155), intituled "An Act to amend the Municipal Act." *Mr. Lewis*.

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 37), Respecting the Kitchener-Waterloo Y.M.C.A. and the Y.W.C.A. of Kitchener.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 10), Respecting the County of Waterloo.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 12), Respecting the City of Kitchener.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 11), Respecting the Kitchener-Waterloo General Hospital.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 131), To amend the Municipal Act.

Referred to the Municipal Committee.

The House resolved itself into a Committee to consider Bill (No. 110), For the establishment of the Department of Health, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 135), To amend the Agricultural Societies Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 136), To amend the Act for Suppression of Foul Brood among Bees, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1924, the following sums:—

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| 118. To defray the expenses of the Legislation..... | \$23,590 00 |
| 122. To defray the expenses of the Education—Public and Separate School..... | 222,250 00 |
| 123. To defray the expenses of the Education—Normal and Model Schools, Toronto..... | 16,800 00 |
| 124. To defray the expenses of the Education—Normal and Model Schools, Ottawa..... | 4,300 00 |
| 125. To defray the expenses of the Education—Normal School, London..... | 5,500 00 |
| 126. To defray the expenses of the Education—Normal School, Hamilton..... | 3,400 00 |
| 127. To defray the expenses of the Education—Normal School, Peterborough..... | 600 00 |
| 128. To defray the expenses of the Education—Normal School, Stratford..... | 50 00 |
| 129. To defray the expenses of the Education—Normal School, North Bay..... | 18,500 00 |
| 130. To defray the expenses of the Education—English- French Training School, Sturgeon Falls..... | 11,400 00 |
| 131. To defray the expenses of the Education—English- French Training School, Sandwich..... | 4,100 00 |
| 132. To defray the expenses of the Education—High Schools and Collegiate Institutes..... | 53,450 00 |
| 133. To defray the expenses of the Education—Depart- mental Museum..... | 1,500 00 |
| 134. To defray the expenses of the Education—Public Libraries, Art Schools, Historical, Literary and Scientific Societies..... | |
| 135. To defray the expenses of the Education—Technical Education..... | 5,000 00 |

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| 136. To defray the expenses of the Education—Provincial and other Universities..... | \$1,205,000 00 |
| 137. To defray the expenses of the Education—The Northern Academy, Monteith..... | 8,300 00 |
| 138. To defray the expenses of the Education—Miscel- laneous Education..... | 36,000 00 |
| 139. To defray the expenses of the Public Institution— Ontario Hospital, Brockville..... | 70,000 00 |
| 140. To defray the expenses of the Public Institution— Ontario Hospital, Cobourg..... | 41,500 00 |
| 141. To defray the expenses of the Public Institution— Ontario Hospital, Hamilton..... | 40,000 00 |
| 142. To defray the expenses of the Public Institution— Ontario Hospital, Kingston..... | 50,000 00 |
| 143. To defray the expenses of the Public Institution— Ontario Hospital, London..... | 25,000 00 |
| 144. To defray the expenses of the Public Institution— Ontario Hospital, Mimico..... | 32,000 00 |
| 145. To defray the expenses of the Public Institution— Ontario Hospital, Orillia..... | 50,000 00 |
| 146. To defray the expenses of the Public Institution— Ontario Hospital, Penetanguishene..... | 37,000 00 |
| 147. To defray the expenses of the Public Institution— Ontario Hospital, Toronto..... | 145,000 00 |
| 148. To defray the expenses of the Public Institution— Ontario Hospital, Whitby..... | 45,000 00 |
| 149. To defray the expenses of the Public Institution— Ontario Hospital, Woodstock..... | 48,000 00 |
| 150. To defray the expenses of the Public Institution— Ontario Reformatory, Guelph..... | 35,000 00 |
| 151. To defray the expenses of the Public Institution— Ontario Reformatory Industries. | 8,000 00 |
| 152. To defray the expenses of the Public Institution— Mercer Reformatory, Toronto..... | 12,500 00 |

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| 153. To defray the expenses of the Public Institution— Industrial Farm, Burwash | \$35,000 00 |
| 154. To defray the expenses of the Public Institution— Industrial Farm, Fort William | 5,000 00 |
| 155. To defray the expenses of the Miscellaneous (Public Institutions) | 4,800 00 |
| 156. To defray the expenses of the Agriculture—Agricul- tural and Horticultural Societies | 4,300 00 |
| 157. To defray the expenses of the Agriculture—Live Stock Branch | 7,000 00 |
| 158. To defray the expenses of the Agriculture—Insti- tutes | 14,000 00 |
| 159. To defray the expenses of the Agriculture—Dairy Branch | 20,000 00 |
| 160. To defray the expenses of the Agriculture—Agricul- tural Representatives Branch | 1,000 00 |
| 161. To defray the expenses of the Agriculture—Western Ontario Experimental Farm, Ridgetown | 3,000 00 |
| 162. To defray the expenses of the Agriculture—Miscel- laneous | 23,000 00 |
| 163. To defray the expenses of the Agriculture—Ontario Agricultural College | 9,250 00 |
| 164. To defray the expenses of the Hospitals and Char- ities | 95,774 05 |
| 165. To defray the expenses of the Maintenance and Repairs of Government Buildings—Government House | 21,625 00 |
| 166. To defray the expenses of the Maintenance and Repairs of Government Buildings—Parliament and Departmental Buildings | 83,075 00 |
| 167. To defray the expenses of the Maintenance and Repairs of Government Buildings—Osgoode Hall | 3,500 00 |
| 168. To defray the expenses of the Public Buildings— Osgoode Hall | 2,500 00 |
| 169. To defray the expenses of the Public Institution Buildings—Ontario Hospital, Kingston | 35,000 00 |

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| 170. To defray the expenses of the Public Institution Buildings—Ontario Hospital, Brockville..... | \$1,000 00 |
| 171. To defray the expenses of the Public Institution Buildings—Ontario Hospital, Orillia..... | 125,000 00 |
| 172. To defray the expenses of the Public Institution Buildings—Ontario Hospital, Whitby..... | 200,000 00 |
| 173. To defray the expenses of the Public Institution Buildings—Ontario Reformatory, Guelph..... | 4,000 00 |
| 174. To defray the expenses of the Public Institution Buildings—Industrial Farm, Fort William..... | 35,000 00 |
| 175. To defray the expenses of the Public Institution Buildings—Ontario Hospital, Woodstock..... | 120,000 00 |
| 176. To defray the expenses of the Educational Buildings—Normal and Model Schools, Toronto..... | 1,200 00 |
| 177. To defray the expenses of the Educational Buildings—Normal and Model Schools, Ottawa..... | 5,310 00 |
| 178. To defray the expenses of the Educational Buildings—Normal School, London..... | 1,980 00 |
| 179. To defray the expenses of the Educational Buildings—Normal School, Hamilton..... | 400 00 |
| 180. To defray the expenses of the Educational Buildings—Normal School, Peterborough..... | 1,200 00 |
| 181. To defray the expenses of the Educational Buildings—Normal School, Stratford..... | 400 00 |
| 182. To defray the expenses of the Educational Buildings—Normal School, North Bay..... | 900 00 |
| 183. To defray the expenses of the Educational Buildings—Ontario School for Deaf, Belleville..... | 3,250 00 |
| 184. To defray the expenses of the Educational Buildings—Ontario School for Blind, Brantford..... | 7,350 00 |
| 185. To defray the expenses of the Educational Buildings—Training School, Sandwich..... | 1,400 00 |
| 186. To defray the expenses of the Educational Buildings—Training Schools, Sturgeon Falls..... | 200 00 |

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| 187. To defray the expenses of the Educational Buildings—Northern Academy, Monteith..... | \$2,500 00 |
| 188. To defray the expenses of the Educational Buildings—Continuation School, New Liskeard..... | 3,400 00 |
| 189. To defray the expenses of the Agricultural Buildings—Ontario Agricultural College, Guelph..... | 72,000 00 |
| 190. To defray the expenses of the Agricultural Buildings—Western Ontario Experimental Farm, Ridgetown..... | 17,804 27 |
| 191. To defray the expenses of the Agricultural Buildings—Eastern Dairy School, Kingston..... | 500 00 |
| 192. To defray the expenses of the Agricultural Buildings—Ontario Veterinary College, Guelph..... | 500 00 |
| 193. To defray the expenses of the District Buildings—Algoma..... | 18,190 00 |
| 194. To defray the expenses of the District Buildings—Cochrane..... | 79,100 00 |
| 195. To defray the expenses of the District Buildings—Kenora..... | 7,700 00 |
| 196. To defray the expenses of the District Buildings—Manitoulin..... | 16,000 00 |
| 197. To defray the expenses of the District Buildings—Muskoka..... | 600 00 |
| 198. To defray the expenses of the District Buildings—Nipissing..... | 28,200 00 |
| 199. To defray the expenses of the District Buildings—Parry Sound..... | 1,200 00 |
| 200. To defray the expenses of the District Buildings—Rainy River..... | 3,000 00 |
| 201. To defray the expenses of the District Buildings—Sudbury..... | 38,050 00 |
| 202. To defray the expenses of the District Buildings—Temiskaming..... | 153,350 00 |
| 203. To defray the expenses of the District Buildings—Thunder Bay..... | 288,300 00 |

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| 204. To defray the expenses of the Public Buildings— Miscellaneous..... | \$6,000 00 |
| 205. To defray the expenses of the Public Works..... | 534,900 00 |
| 207. To defray the expenses of the Department of Public Highways..... | 275 00 |
| 211. To defray the expenses of the Provincial Secretary's Department—Miscellaneous..... | 500 00 |
| 212. To defray the expenses of the Lands and Forests. . . | 102,635 48 |
| 213. To defray the expenses of the Department of Mines. . | 54,973 45 |
| 214. To defray the expenses of the Refund Account. . . . | 145,286 14 |
| 215. To defray the expenses of the Miscellaneous. | 42,572 65 |
| 217. To defray the expenses of the Temiskaming and Northern Ontario Railway Commission..... | 2,020,062 18 |

Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of Minister of Public Works for Province of Ontario for 1923.
(*Sessional Papers*, No. 13.)

The House then adjourned at 5.50 p.m.

Tuesday, March 4th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Nickle, from the Standing Committee on Private Bills, presented the Third Report which was read as follows and adopted:

Your Committee beg to report the following Bills without amendment:

Bill (No. 2), An Act respecting the Town of Cobourg.

Bill (No. 3), An Act respecting the Town of Trenton.

Bill (No. 51), An Act respecting the Town of Oshawa.

Your Committee beg to report the following Bills with certain amendments:

Bill (No. 26), An Act to amend the Act respecting the Town of Ojibwa, and to provide for the separation of the said Town from the County of Essex for municipal purposes.

Bill (No. 107), An Act respecting the Municipality of Neebing.

Your Committee recommend that Rule 51 of your Honourable House be further suspended in this, that the time for introducing Private Bills be further extended until and inclusive of Friday, the 21st day of March instant, and that the time for receiving Reports of Committees on Private Bills be extended until and inclusive of Tuesday, the 1st day of April next.

Mr. Lewis, from the Standing Committees on Standing Orders, presented their Fifth Report, which was read as follows and adopted:

Your Committee have carefully considered the following Petitions and find the notices as published in each case sufficient:—

Of the Village Council of Point Edward, praying that an Act may pass to ratify and confirm certain sales of land for taxes.

Of the City Council of Kingston, praying that an Act may pass to ratify and confirm a certain Agreement and By-laws.

Of the Railroad and City Y.M.C.A. of St. Thomas, praying that an Act may pass authorizing the City of St. Thomas to pass By-laws remitting tax in arrears against the Y.M.C.A. property.

Of the City Council of St. Catharines, praying that an Act may pass authorizing the investment of surplus sinking funds.

Of the Town Council of Dundas, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Township Council of East York, praying that an Act may pass authorizing the passing of certain By-laws and for other purposes.

Of William Edwards-MacDonald of Toronto, praying that an Act may pass to authorize the Law Society of Upper Canada to admit him as a student in his third year.

Of the City Council of Niagara Falls, praying that an Act may pass authorizing the Corporation to enter into a certain Agreement with the Canadian National Electric Railways.

Of the Holmes Foundry Company of Point Edward, praying that an Act may pass to ratify and confirm a certain By-law and Assessment.

Your Committee recommend that Rule No. 51 of your Honourable House be further suspended in this, that the time for introducing Private Bills be further extended until and inclusive of Friday, the 21st day of March instant, and that the time for receiving Reports of Committees on Private Bills be extended until and inclusive of Tuesday, the 1st day of April next.

Ordered, That the time for introducing Private Bills be further extended until and inclusive of Friday, the 21st day of March instant.

Ordered, That the time for receiving Reports from Committees on Private Bills be extended until and inclusive of Tuesday, the 1st day of April next.

The following Bills were severally introduced and read the first time:—

Bill (No. 20), intituled "An Act respecting the Village of Point Edward." *Mr. Haney*.

Referred to the Committee on Private Bills.

Bill (No. 23), intituled "An Act respecting the City of Kingston." *Mr. Rankin*.

Referred to the Committee on Private Bills.

Bill (No. 27), intituled "An Act respecting the Town of Dundas." *Mr. Mahoney*.

Referred to the Committee on Private Bills.

Bill (No. 54), intituled "An Act respecting the Township of East York.
Mr. Keith.

Referred to the Committee on Private Bills.

Bill (No. 58), intituled "An Act respecting the City of St. Catharines.
Mr. Graves.

Referred to the Committee on Private Bills.

Bill (No. 59), intituled "An Act respecting the Railroad and City Young
Men's Christian Association of the City of St. Thomas." *Mr. Macdiarmid.*

Referred to the Committee on Private Bills.

Bill (No. 42), intituled "An Act to confirm By-law No. 658 of the Village
of Point Edward." *Mr. Haney.*

Referred to the Committee on Private Bills.

Bill (No. 113), intituled "An Act to authorize the Law Society of Upper
Canada to admit William Edwards-Macdonald as a Student in his third year.
Mr. McCausland.

Referred to the Committee on Private Bills.

Bill (No. 156), intituled "An Act to amend the Public Health Act." *Mr.
Thompson (Lanark.)*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 157), intituled "An Act to amend the Municipal Act." *Mr. Lang*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 158), intituled "An Act to provide for the Licensing of Sawmill
and Pulp and Paper Mills." *Mr. Lyons.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 159), intituled "An Act to amend the Crown Timber Act." *Mr.
Lyons.*

Ordered, That the Bill be read the second time To-morrow.

The Order of the Day for resuming the Adjourned Debate on the motion for the second reading of Bill (No. 101), To amend the Ontario Temperance Act, having been read,

The Debate was resumed,

And after some time,

Mr. Carmichael moved, in Amendment to the Amendment, seconded by Mr. Freeborn,

That all the words of the Amendment after the first word "That" be omitted and the following substituted therefor: "this House do not proceed further with this Bill (a) until the Prime Minister has given to the House his assurance that in the opinion of the Government there has been manifested a desire for change in the law sufficient to warrant the Government in believing that there is a real public demand for such a change; (b) nor until the Government has submitted to the Courts under *The Constitutional Questions Act* the question whether this Bill is within the Constitutional authority of this Assembly to enact and received the answer of the Courts to such question."

And a Debate having arisen,

And the House having continued to sit until twelve of the clock midnight.

WEDNESDAY, 12TH MARCH, 1924.

The Debate continued.

And after some time Mr. Ferguson asked for Mr. Speaker's ruling on the amendment to the Amendment, which he claimed was distinctly out of order.

Mr. Speaker thereupon ruled the Amendment to the Amendment out of order, because it was not relevant to the Amendment.

The Amendment, having been then submitted, was lost on the following division:—

YEAS.

| | | | |
|-------------|-----------|-----------|----------------|
| Downman. | Fenton. | McCallum. | Ross. |
| Carmichael. | Freeborn. | Nixon. | Widdifield—11. |
| Sherty. | Kemp. | Oke. | |

NAYS.

| | | | |
|------------------|------------|---------------|-----------------|
| Acres. | Finlayson. | Keith. | Owens. |
| Belanger. | Fisher. | Kennedy. | Patterson. |
| Belford. | Garden. | (Peel) | Pinard. |
| Berry. | Godfrey. | Kennedy. | Proulx. |
| Black. | Goldie. | (Temiskaming) | Rankin. |
| Bradburn. | Gray. | Lang. | Rowe. |
| Bragg. | Graves. | Lyons. | Sangster. |
| Callan. | Hambly. | McBrien. | Sinclair. |
| Carr. | Haney. | McCausland. | Spence. |
| Chambers. | Harcourt. | McCrea. | Stedman. |
| (Oxford) | Heenan. | McKeown. | Stuart. |
| Clarke. | Hill. | MacBride. | Sweet. |
| (Brockville) | Hillmer. | Macdiarmid. | Tellier. |
| Clarke. | Ireland. | Mahony. | Thompson. |
| (Northumberland) | Irvine. | Mark. | (Lanark) |
| Colliver. | Jamieson. | Martin. | Trewartha. |
| Cooke. | (Grey) | Mewhinney. | Vaughan. |
| Currie. | Jamieson. | Milligan. | Wallis. |
| Ecclestone. | (Simcoe) | Monteith. | Weichel. |
| Elliott. | Johnston. | Nesbitt. | Wigle. |
| Fallis. | Joynt. | Nickle. | Wilson. |
| Ferguson. | Keefer. | Oakley. | (Niagara Falls) |
| | | | Wright—80. |

PAIRS.

| | |
|----------------------------|-------------|
| Price..... | Raney. |
| Crawford..... | Lethbridge. |
| Chambers (Wellington)..... | Carty. |
| Beck..... | Taylor. |
| McKnight..... | Brackin. |
| Henry..... | Biggs. |
| Morel..... | Mageau. |
| Lewis..... | Sewell. |

The motion for the second reading having been then again proposed, was carried on the following division:—

YEAS.

| | | | |
|-----------|----------|---------------|------------|
| Acres. | Godfrey. | Keith. | Oakley. |
| Belford. | Goldie. | Kennedy. | Owens. |
| Berry. | Gray. | (Peel) | Patterson. |
| Black. | Graves. | Kennedy. | Rankin. |
| Bradburn. | Hambly. | (Temiskaming) | Rowe. |

| | | | |
|--------------|-----------|-------------|-----------------|
| Carr. | Haney. | Lyons. | Spence. |
| Chambers. | Harcourt. | McBrien. | Stedman. |
| (Oxford) | Heenan. | McCausland. | Stuart. |
| Clarke. | Hill. | McCrea. | Sweet. |
| (Brockville) | Hillmer. | McKeown. | Thompson. |
| Colliver. | Ireland. | MacBride. | (Lanark) |
| Cooke. | Irvine. | Macdiarmid. | Trewartha. |
| Currie. | Jamieson. | Mahony. | Vaughan. |
| Ecclestone. | (Grey) | Mark. | Weichel. |
| Elliott. | Jamieson | Martin. | Wigle. |
| Fallis. | (Simcoe) | Milligan | Wilson. |
| Ferguson. | Johnston. | Monteith. | (Niagara Falls) |
| Finlayson. | Joynt | Nesbitt. | Wright.—67. |
| Garden. | Keefer. | Nickle. | |

NAYS

| | | | |
|------------------|-----------|------------|----------------|
| Belanger. | Doherty. | Mewhinney. | Wallis. |
| Bowman. | Fenton. | Nixon. | Widdifield—22. |
| Bragg. | Fisher. | Oke. | |
| Callan. | Freeborn. | Proulx. | |
| Carmichael. | Kemp. | Ross. | |
| Clarke. | Lang. | Sangster. | |
| (Northumberland) | McCallum. | Sinclair. | |

PAIRS.

| | |
|----------------------------|-------------|
| Price..... | Raney. |
| Crawford..... | Lethbridge. |
| Wilson (Windsor)..... | Pinard. |
| Chambers (Wellington)..... | Carty. |
| Beck..... | Taylor. |
| McKnight..... | Brackin. |
| Henry..... | Biggs. |
| Morel..... | Mageau. |
| Lewis..... | Sewell. |
| Armstrong..... | Tellier. |

And the Bill was then read the second time and referred to a Committee of the Whole House at the next sittings of the House To-day.

The House then adjourned at 12.30 a.m.

Wednesday, March 12th, 1924.

PRAYERS

3.00 O'CLOCK P.M.

Mr. Speaker informed the House:—

That the Clerk had received from the Railway and Municipal Board, the Reports in the following cases:—

Bill (No. 9), Respecting the Town of North Bay.

Bill (No. 13), Respecting the Town of Sioux Lookout.

The Reports were then read by the Clerk at the Table as follows:—

To the Honourable the Legislative Assembly of the Province of Ontario:

Upon the reference under Rule 61a of your Honourable House to the Ontario Railway and Municipal Board of Bill No. 9 (1924), entitled "An Act respecting the Town of North Bay," the Board begs leave respectfully to report that in the judgment of the Board it is reasonable that such Bill should be passed by your Honourable House, as amended.

A large proportion of the Floating Debt of \$62,500.00 referred to in the Bill is for works of a permanent character, and for this reason the Board is of opinion that the debentures might be made payable in not more than fifteen years from the date of issue.

All of which is respectfully submitted.

A. R. INGRAM,
Vice-Chairman.

J. A. ELLIS,
Commissioner.

Dated at Toronto,
this 12th day of March, A.D. 1924.

To the Honourable the Legislative Assembly of the Province of Ontario:

Upon the reference under Rule 61a of your Honourable House to the Ontario Railway and Municipal Board, of Bill No. 13 (1924), entitled "An Act respecting the Town of Sioux Lookout," the Board begs leave respectfully to report that in the judgment of the Board it is reasonable that such Bill should be passed by your Honourable House, as amended.

Nearly one-half of the Floating Debt of \$20,000 referred to in the Bill has been incurred for works of a permanent character, and for this reason the Board is of opinion that the debentures might be issued payable in not more than ten years from the date of issue.

The form of the Bill has been amended to conform to Acts of the Legislature of a similar character.

All of which is respectfully submitted.

A. R. INGRAM,
Vice-Chairman.

J. A. ELLIS,
Commissioner.

Dated at Toronto,
this 12th day of March, A.D. 1924.

Ordered, That Bill (No. 9), Respecting the Town of North Bay, be referred to the Committee on Private Bills with instructions to consider the same with reference to the suggestions of the Railway and Municipal Board thereon.

Ordered, That Bill (No. 13), Respecting the Town of Sioux Lookout, be referred to the Committee on Private Bills with instructions to consider the same with reference to the suggestions of the Railway and Municipal Board thereon.

The following Petitions were severally brought up and laid upon the table:—

By Mr. Nesbitt, Two Petitions of the City Council of Toronto.

The following Petition was read and received:—

Of the Black Eagle Gold Mining Company, Limited, praying that an Act may pass directing the Master of Titles at Kenora to register a certain transfer of lands.

The following Bills were severally introduced and read the first time:—

Bill (No. 160), intituled "An Act to amend the Municipal Act." *Mr Kennedy (Peel.)*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 161), intituled "An Act to amend the Municipal Act." *Mr Weichel.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 162), intituled "An Act to amend the Municipal Act." *Mr Weichel.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 163), intituled "An Act for the settlement of certain question between the Government of Canada and Ontario respecting Indian Reserve Lands." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 164), intituled "An Act respecting the granting of Bonuses by Municipal Corporations." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 165), intituled "An Act to amend the Crown Attorneys Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 166), intituled "An Act to amend the Magistrates Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 167), intituled "An Act to amend the Workmen's Compensation Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 168), intituled "An Act to amend the Municipal Act." *Mr Fisher.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 46), To incorporate the Midland Y.M.C.A.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 43), Respecting the Township of North York.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 2), Respecting the Town of Cobourg.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 51), Respecting the Town of Oshawa.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 108), To amend the Municipal Act.

Referred to the Legal Committee.

Bill (No. 143), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 144), To amend the Registry Act.

Referred to the Legal Committee.

Bill (No. 149), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 150), To amend the Local Improvement Act.

Referred to the Municipal Committee.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 50), To incorporate the Lord Dufferin Hospital.

Bill (No. 36), To enable the Trustees of St. Andrew's Presbyterian Church, Peterborough, to sell or mortgage certain lands.

Bill (No. 37), Respecting the Kitchener-Waterloo Y.M.C.A. and the Y.W.C.A. of Kitchener.

Bill (No. 10), Respecting the County of Waterloo.

Bill (No. 12), Respecting the City of Kitchener.

Bill (No. 11), Respecting the Kitchener-Waterloo General Hospital.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without Amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 90), To amend the Dog Tax and Sheep Protection Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 101), To amend the Ontario Temperance Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House then adjourned at 5.50 p.m.

Thursday, March 13th, 1824.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Speaker informed the House:—

That the Clerk had received from the Railway and Municipal Board, their Report in the following case:—

Bill (No. 16), Respecting the Town of Oakville.

The Report was then read by the Clerk at the Table, as follows:—

To the Honourable the Legislative Assembly of the Province of Ontario:

Upon the reference under Rule 61a of your Honourable House to The Ontario Railway and Municipal Board of Bill No. 16 (1924), entitled "An Act respecting the Town of Oakville," the Board begs leave respectfully to report that in the judgment of the Board it is reasonable that such Bill should be passed by your Honourable House as amended.

The Floating Debt of \$10,000 referred to in the Bill has been incurred for capital expenditure, and for this reason the Board is of opinion that the debentures might be issued payable in not more than twenty years from the date of issue as prayed.

The form of the Bill has been amended to conform to Acts of the Legislature of a similar character.

All of which is respectfully submitted.

A. R. INGRAM,
Vice-Chairman.

J. A. ELLIS,
Commissioner.

Dated at Toronto,
this 12th day of March, A.D. 1924.

Ordered, That Bill (No. 16), Respecting the Town of Oakville, be referred to the Committee on Private Bills with instructions to consider the same with reference to the suggestions of the Railway and Municipal Board thereon.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Milligan, the Petition of the Township Council of Cornwall.

By Mr. Finlayson, the Petition of the Midland Simcoe Railway Company.

By Mr. Ireland, the Petition of the Town Council of Trenton; also, the Petition of the City Council of Belleville.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Fourth Report, which was read as follows:—

Your Committee beg to report the following Bill without amendment:—

Bill (No. 39), An Act respecting the City of Toronto.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 25), An Act respecting the Ottawa Electric Railway Company.

Bill (No. 45), An Act respecting the Town of Orillia.

Bill (No. 52), An Act respecting the City of Ottawa.

Bill (No. 53), An Act respecting the City of St. Thomas.

On motion of Mr. Ferguson, seconded by Mr. Nickle,

Ordered, That the Report on Bill (No. 25), Respecting the Ottawa Electric Railway, be not concurred in, but that the Bill be recommitted to the Committee on Private Bills, with instructions to vary said Bill by the elimination of the provision granting exemption of School Taxes.

The Gregory Hydro Commission Report, having been laid upon the Table of the House, the same was discussed at some considerable length in regard to Public Ownership and allied matter.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of Agricultural Development Board for year ending October 31st, 1923. (*Sessional Papers*, No. 58.)

Also—Forty-fifth Report of the Agricultural and Experimental Union.
(*Sessional Papers, No. 31.*)

Also—Reports of Walter Dymond Gregory, Michael John Haney and others appointed under Royal Commission bearing date the 13th day of April, 1922, to inquire into and report upon all estimates submitted from time to time to the Hydro-Electric Power Commission of Ontario for the Queenston-Chippawa Power Development, and also all estimates for the said work submitted by the said Commission to the Government of Ontario, etc., etc. (*Sessional Papers, No. 62.*)

The House then adjourned at 11.00 p.m.

Friday, March 14th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were read and received:—

Of the City Council of Toronto, praying that an Act may pass enabling the City to pass certain By-laws.

Of the City Council of Toronto, praying that an Act may pass to amend the Act incorporating the Consumers' Gas Company of the City of Toronto.

The following Bills were severally introduced and read the first time:—

Bill (No. 176), intituled "An Act to regulate the Boring and Protection of Wells." *Mr. McCrea.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 177), intituled "An Act to amend the Highway Traffic Act." *Mr. Ferguson.*

Ordered, That the Bill be read the second time on Monday next.

The following Bills were severally introduced *nemine contradicente*, and read the first time:—

Bill (No. 178), intituled "An Act to amend the Municipal Act." *Mr. Garden.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 179), intituled "An Act to amend the Assessment Act." *Mr. McBrien.*

Ordered, That the Bill be read the second time on Monday next.

The following Bills were severally read the second time:—

Bill (No. 3), Respecting the Town of Trenton.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 107), Respecting the Municipality of Neebing.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 139), To amend the Local Improvement Act.

Referred to the Municipal Committee.

Bill (No. 142), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 147), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 151), To amend the Local Improvement Act.

Referred to the Municipal Committee.

Bill (No. 157), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 62), To amend the Ontario Public Superannuation Act.

Referred to a Committee of the Whole House on Monday next.

On motion of Mr. Raney, seconded by Mr. Doherty,

Ordered, That there be laid before this House, a Return of Copies of:
1. All correspondence between the present Government, or any member thereof, and A. E. Browning, K.C., lately Deputy Attorney-General of the Province of Saskatchewan. 2. All correspondence between the Attorney-General in the late Government and Mr. Browning.

On motion of Mr. Raney, seconded by Mr. Doherty,

Ordered, That there be laid before this House, a Return of all correspondence and papers relative to the appointment of the following inspectors under the Ontario Temperance Act: W. W. Forsythe, L. W. Roach, E. E. Orser, J. H. Bell, F. A. Jennings, James A. Costello.

On motion of Mr. Ferguson, seconded by Mr. Martin,

Ordered, That the House do forthwith resolve itself into a Committee of the Whole to consider certain proposed Resolution respecting the salary of a Minister of Health.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That (2) Subsection 1 of section 4 of The Executive Council Act is amended by adding after the words and figures "The Minister of Mines—\$6,000," added thereto by subsection 2 of section 3 of The Department of Mines Act, 1920, the words and figures "The Minister of Health—\$6,000."

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a certain Resolution.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolution as follows:—

Resolved, That (2) Subsection 1 of section 4 of The Executive Council Act is amended by adding after the words and figures "The Minister of Mines—\$6,000," added thereto by subsection 2 of section 3 of The Department of Mines Act, 1920, the words and figures "The Minister of Health—\$6,000."

The Resolution having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 110), For the establishment of the Department of Health.

On motion of Mr. Ferguson, seconded by Mr. Martin,

Ordered, That the House do forthwith resolve itself into a Committee to consider certain proposed Resolution respecting the Legislative Secretary for Northern Ontario.

Mr. Ferguson acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved, That the Legislative Secretary for Northern Ontario shall be paid a salary of \$6,000 *per annum*, which shall be chargeable upon and payable out of the Consolidated Revenue Fund. This salary shall be paid as and from the 16th day of July, 1923.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a Resolution.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolution as follows:—

Resolved, That the Legislative Secretary for Northern Ontario shall be paid a salary of \$6,000 *per annum*, which shall be chargeable upon and payable out of the Consolidated Revenue Fund. This salary shall be paid as and from the 16th day of July, 1923.

The Resolution, having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 61), To provide for a Legislative Secretary for Northern Ontario.

The following Bill was then read the second time:—

Bill (No. 61), To provide for a Legislative Secretary for Northern Ontario.

Referred to a Committee of the Whole House on Monday next.

The following Bills were severally read the second time:—

Bill (No. 158), To provide for the Licensing of Saw Mills, Pulp and Paper Mills.

Referred to the Committee of the Whole House on Monday next.

Bill (No. 159), To amend the Crown Timber Act.

Referred to a Committee of the Whole House on Monday next.

The House then adjourned at 5.10 p.m.

Monday, March 17th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Weichel, the Petition of the City Council of Galt.

By Mr. Keith, the Petition of the Town Council of Newmarket.

The following Petitions were read and received:—

Of the City Council of Belleville, praying that an Act may pass authorizing the passing of a certain By-law.

Of the Township Council of Cornwall, praying that an Act may pass to ratify and confirm a certain agreement and By-law.

Of the Midland Simcoe Railway Company, praying that an Act may pass to extend the time for the commencement and completion of the Midland Terminal Railway.

Of the Town Council of Trenton, praying that an Act may pass to ratify and confirm a certain By-law.

The following Bills were severally introduced and read the first time:—

Bill (No. 60), intituled "An Act respecting Insurance." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 180), intituled "An Act to amend the Cemetery Act." *Mr. Keith.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 181), intituled "An Act to amend The Assessment Act." *Mr. Nesbitt.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the third time and passed:—

Bill (No. 64), To amend the Master and Servant Act.

Bill (No. 65), To amend the Libel and Slander Act.

Bill (No. 67), To amend the Coroners Act.

Bill (No. 68), To amend the Mortgages Act.

Bill (No. 69), To amend the Registry Act.

Bill (No. 71), To amend the Corporations Tax Act.

Bill (No. 75), To amend the Ontario Railway Act.

Bill (No. 76), The Public Officers Fees Act, R.S.O., 1914, cap. 17.

Bill (No. 77), To amend the Administration of Justice Expenses Act.

Bill (No. 78), To amend the Billiard Room and Bowling Alley License Act,
1922.

Bill (No. 4), Respecting the Township of Schreiber.

Bill (No. 14), Respecting the Village of Crystal Beach.

Bill (No. 1), Respecting the Municipality of Shuniah.

Bill (No. 7), Respecting the City of Hamilton.

Bill (No. 102), To amend the Law as to Contributory Negligence.

Bill (No. 105), The Stallion Enrolment Act.

Bill (No. 135), To amend the Agricultural Societies Act.

Bill (No. 136), To amend the Act for the Suppression of Foul Brood among Bees.

Bill (No. 50), To incorporate the Lord Dufferin Hospital.

Bill (No. 36), To enable the Trustees of St. Andrew's Presbyterian Church, Peterborough, to sell or mortgage certain lands.

Bill (No. 37), Respecting the Kitchener-Waterloo Y.M.C.A. and the Y.W.C.A. of Kitchener.

Bill (No. 10), Respecting the County of Waterloo.

Bill (No. 12), Respecting the City of Kitchener.

Bill (No. 101), To amend the Ontario Temperance Act.

The following Bills were severally read the second time:—

Bill (No. 26), To amend the Act respecting the Town of Ojibway and to provide for the separation of the said Town from the County of Essex for Municipal purposes.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 152), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 164), Respecting the granting of Bonuses by Municipal Corporations.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 165), To amend the Crown Attorneys Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 166), To amend the Magistrates Act.

Referred to a Committee of the Whole House To-morrow.

Mr. Widdifield asked the following Question:—

1. What was the cost to the Province of the two coal boxes that were sold by the Government at public auction at 128 King Street East, Toronto, on the 12th of December last. 2. When were these boxes purchased by the Government of Ontario. 3. By what official of the Government were they purchased. 4. From whom were they purchased. 5. What did the Government pay for them. 6. For what room in the Parliament Building were they purchased. 7. What was the occasion or reason for their purchase. 8. When was their use discontinued, and why. 9. Why were the boxes sold at public auction. 10. Who were the purchasers at the public auction. 11. What was realized at the auction sale from the sale of these two coal boxes.

To which the Premier replied in the words and figures following:—

1, 2, 4 and 5. Answered by the following account:—

"Ontario Government"
Del.: Mr. F. G. Lee,
Parliament Buildings.

Bought of

THE T. EATON CO., LIMITED,
TORONTO, Canada, Nov. 8, 1920.

K2-d-64

1920

| | | |
|------|--------------------------------|----------------|
| 6/11 | 1 polished brass fireset | \$23 00 |
| 2 | " " coal boxes, at 24.50 | 49 00 |
| 1 | A.H.B. Coal Box | 24 50 |
| 1 | plated screen | 7 25 |
| | | <hr/> \$103 75 |

Goods received
prices fair and just.

(Sgd.) F. G. Lee,
Housekeeper.

Parliament Bldgs.

V. 79-8 Furniture and furnishings.

3. Housekeeper, Parliament Buildings. 6. Premier's Office. 7. Premier substituted coal for electric heating in grate of his office. 8. December, 1923. No longer required. 9. Public Works Act so requires. 10. The highest bidder. 11. \$120.00.

Mr. Widdifield asked the following Question:—

1. Did the late Government of this Province, during its term of office, purchase a coal scuttle for any room in the Parliament Building at a cost of \$100 or thereabouts. 2. If so, (a) by whom was it purchased, (b) from whom, (c) when, (d) at what exact price, (e) for what room, and (f) where is it now.

Other than as above, were any coal scuttles purchased by the late Government for the Parliament Building. 4. If so, how many, from whom, for what sums, and at what prices.

And the Premier replied:—

1 and 2. Answered by previous Question. 3. No. 4. Answered by 3.

Mr. Lethbridge asked the following Question:—

1. Who was the Sheriff of the County of Halton when the present Government came into office. 2. Was he dismissed. 3. If so, (a) when; (b) what charges were preferred against him and by whom; (c) was a successor appointed; (d) if so, who; (e) what was his age when appointed, and did the Civil Service Commissioner certify that he was a fit and proper person to be appointed to the office of sheriff.

To which the Premier replied in the words following:—

1, 2, and 3 (a), (b), (c) and (d) are found in the recommendation upon which the Order-in-Council was based, reinstating Sheriff Webster on the 12th September, 1923, as follows:—

“Samuel Webster was appointed Sheriff of the County of Halton August 6th, 1909, and served continuously until 15th June, 1923. On June 9th, 1923, Archibald L. McNabb was appointed Sheriff of Halton while Sheriff Webster was still the incumbent and acting in that office. Sheriff Webster was not actually superannuated by the Superannuation Board until June 27th, 1923, two days after the defeat of the Government that asked to have him superannuated and appointed Mr. McNabb. I have made very full enquiry regarding Dr. Webster's mental and physical capability to perform the duties of Sheriff and the efficiency of his work. He gave personal attention to his office and there never has been any complaint or ground for complaint against him. The Inspector of Legal Offices, who for years has supervised the Sheriffs' Offices, writes me under date of 27th July regarding Sheriff Webster and his work, that he 'always found the work of his office satisfactory' and he believes him quite capable to carry on his duties. I have had opportunity of meeting Dr. Webster myself and have no hesitation in asserting that it is absurd to remove him for incapacity. Notwithstanding his advanced age, he is alert and vigorous and capable of giving the Province many years of efficient public service. Having gone carefully into this whole matter and fully considered all the facts and circumstances surrounding Sheriff Webster's removal from office and Mr. McNabb's appointment in his stead, it would appear beyond doubt that Mr. Drury was induced to take this action in his own Riding in the heat of an election campaign from purely political motives. The result is that a grave injustice was done to a public official with an unblemished record of long and faithful service, to satisfy political clamour. He was arbitrarily removed from office and the Province unnecessarily saddled with

a superannuation allowance of \$900.00 per year to a man perfectly capable of continuing the duties of this office. The reappointment of Sheriff Webster will remedy a wrong and save the Province \$900.00 a year."

3 (e) As this was a reinstatement of a former official, against whose capability and fitness there was no complaint, no certificate of the Civil Service Commissioner was necessary.

Mr. Wallis asked the following Question:—

What is the amount of debt that will have to be refunded by the Province between October 31st, 1923, and November 1st, 1924.

And the Premier replied in the figures following:—

\$26,000,000.00.

Mr. Sangster asked the following Question:—

Did the books of the Province close with regard to receipts and expenditures on October 31st. If not, when.

To which the Premier replied as follows:—

Yes, except for appropriations which were pursuant to the Audit Act, section 21, extended to November 15th.

Mr. Widdifield asked the following Question:—

1. How many informations were laid in the Toronto Police Court against hotel keepers for offences against the Ontario Temperance Act between the 1st of July, 1923, and the 1st of February, 1924, (a) by the local License Inspector or other officers of the Provincial Police; (b) by members of the Toronto Police Force. 2. How many of such cases under (a) and (b) of Question 1 were withdrawn without any evidence being offered. 3. What was the specific charge in the case of each information. 4. In how many cases did the defendants plead guilty. 5. How many convictions were recorded under (a) and (b) respectively of Question 1. 6. What were the penalties imposed in each case under (a) and (b) respectively of Question 1. 7. Where any of the cases the second or third or fourth offences, (a) in respect of the same defendant; (b) in respect of the same hotel premises, and, if so, which ones. 8. Were any of the cases laid a second or third or fourth offences. 9. If not, why not. 10. Were some of the cases included in answers which will be given to the foregoing questions, case in which the bar room premises were fitted up with appliances designed to conceal the illegal business that was being there carried on. 11. If so, in what cases (giving the name both of the defendant and the hotel premises) were there such appliances.

And the Attorney-General replied in the words following:—

1. (a) Sixteen; (b) Thirteen. 2. (a) In ten of these cases where a charge was laid against the licensee of the hotel concerned, when the case came to trial another man, usually the bar tender, appeared and claimed that he alone was responsible and was ready to plead guilty to the charge as preferred and the Counsel for the Crown withdrew the charge against the hotel keeper and had the same laid against the party admitting guilt. In no case was any compromise made; (b) none. 3. In prosecutions by Provincial Officers, unlawful possession and keeping for sale. In prosecutions by City Police, illegal purchase, keeping for sale, and illegal drinking. 4. Cases by Provincial Officers—six, and the ten substituted charges above mentioned. Cases by the City Police—nine. 5. (a) Six and the ten convictions in the ten substituted cases mentioned in Question 2; (b) ten. 6. (a) Penalties of \$200 each in the six cases and in the ten substituted cases, five penalties of \$500 each and five penalties of \$200 each; (b) Three penalties of \$500 each, one penalty of \$300, four penalties of \$200 each, one penalty of \$100, one penalty of \$50. 7. (a) In respect of the same defendant, none; (b) in respect of the same hotel premises, three—The Adelaide, Royal Edward and Alexandra. 8. No. 9. Have no information as to this, the subsequent charges in the three cases mentioned being laid by the City Police. 10. Yes. 11. Charles Thompson, Gibson House, 140 Queen St. E.; Henry Walsh, McKinney Hotel, Jarvis and Front Sts.; Patrick Downey, Savoy Hotel, 60 York St.; John Wornhin, Royal Edward Hotel, 375 Queen St. W.; Thos. O'Connor, Alexandra Hotel, 102 Queen St. W.; Mrs. Margaret Almon, Occidental Hotel, 211 Mavety St.

Mr. Widdifield asked the following Question:—

1. How many appeals for executive clemency in Ontario Temperance Act cases were made to the Lieutenant-Governor in Council in the years 1922 and 1923, respectively. 2. How many were refused in each year. 3. How many were given favourable consideration in each year. 4. How many of such appeals were after the 15th of July, 1923, and of these how many were refused and how many given favourable consideration.

And the Attorney-General replied in the figures following:—

1. 1922, 550; 1923, 436. 2. 1922, 371; 1923, 242. 3. 1922, 179; 1923, 94. 4. 201, refused 91, granted 110.

Mr. Nixon asked the following Question:—

Re Public Accounts, page K 12; item H. D. Graham purchase Motion Picture Plant, \$24,558—1. What and where is this property. 2. Who recommended the purchase to the Provincial Treasurer. 3. What was total cost of property. 4. What has been total cost of project to date. 5. How many employees are stationed there.

And the Premier replied in the words and figures following:—

1. Province of Ontario Motion Picture Plant, Trenton. 2. The Director of the Motion Picture Bureau. 3. \$30,000.00. 4. \$37,805.92, which includes the purchase price. 5. Four.

Mr. Nixon asked the following Question:—

Re Public Accounts, page K 12, item Filmcraft Industries, \$38,659.23—
1. What were the different payments totalling this amount. 2. For what purposes and on what dates were payments made. 3. Has the Government reached a complete settlement with the Company. 4. If not, what amounts are outstanding, or in dispute.

And the Premier replied in the words and figures following:—

1 and 2:—

| | | | | | | |
|---------|--------------------|-----------------------|---|---|---|---|
| \$2,311 | 22—Nov. 18, 1922, | for purchase of film. | | | | |
| 1,678 | 20—Dec. 8, 1922, | " | " | " | " | " |
| 1,394 | 34—Dec. 19, 1922, | " | " | " | " | " |
| 1,905 | 42—Jan. 11, 1923, | " | " | " | " | " |
| 1,223 | 86—Jan. 16, 1923, | " | " | " | " | " |
| 3,158 | 17—Feb. 5, 1923, | " | " | " | " | " |
| 3,017 | 99—Mar. 2, 1923, | " | " | " | " | " |
| 315 | 60—Mar. 12, 1923, | " | " | " | " | " |
| 441 | 58—Mar. 19, 1923, | " | " | " | " | " |
| 1,403 | 50—Mar. 26, 1923, | " | " | " | " | " |
| 2,359 | 62—April 4, 1923, | " | " | " | " | " |
| 444 | 17—April 4, 1923, | " | " | " | " | " |
| 11 | 62—April 4, 1923, | " | " | " | " | " |
| 972 | 38—April 17, 1923, | " | " | " | " | " |
| 1,324 | 62—April 30, 1923, | " | " | " | " | " |
| 563 | 25—May 3, 1923, | " | " | " | " | " |
| 1,258 | 35—May 17, 1923, | " | " | " | " | " |
| 35 | 00—May 17, 1923, | " | " | " | " | " |
| 1,139 | 15—May 23, 1923, | " | " | " | " | " |
| 3,708 | 87—May 30, 1923, | " | " | " | " | " |
| 1,306 | 80—July 12, 1923, | " | " | " | " | " |
| 866 | 10—June 29, 1923, | " | " | " | " | " |
| 962 | 50—June 26, 1923, | " | " | " | " | " |
| 731 | 73—July 7, 1923, | " | " | " | " | " |
| 788 | 03—July 14, 1923, | " | " | " | " | " |
| 916 | 10—July 25, 1923, | " | " | " | " | " |
| 1,040 | 45—July 25, 1923, | " | " | " | " | " |
| 742 | 59—Aug. 8, 1923, | " | " | " | " | " |
| 1,175 | 78—Aug. 24, 1923, | " | " | " | " | " |
| 1,462 | 24—Oct. 1, 1923, | " | " | " | " | " |

\$38,659 23

3. No. 4. \$42,922.73 is the amount claimed by the Government from the Filmcraft Company. The Government has withheld payment of accounts totalling \$4,999.48 claimed by the Company.

Mr. Sangster asked the following Question:—

Is there a purchasing agent who purchases the supplies for the various departments. Does he oversee all purchases. If not, who has charge of making purchases in the various departments.

To which the Premier replied as follows:—

1. No. 2. No. 3. The King's Printer purchases stationery, office equipment and furniture for the various departments. He also purchases laboratory apparatus and supplies for the Provincial Board of Health; supplies for cleaning the Parliament Buildings and Osgoode Hall; supplies and equipment for Provincial Police. Other purchases required by the various departments are made under the supervision of the Deputy Ministers.

Mr. Pinard asked the following Question:—

How much has the Government of this Province paid to the Central Exhibition of the City of Ottawa toward the erection of the Howick Pavilion since 1904.

To which the Premier replied in the words following:—

In 1912 a grant of \$12,000.00 was paid to the Eastern Ontario Live Stock and Poultry Association towards the erection of a wing to Howick Pavilion, which is used jointly by this Association and the Central Canada Exhibition Association.

Mr. Mewhinney asked the following Question:—

1. From whom did the Government purchase the motion picture plant in Trenton. 2. Was the \$24,558 a part payment. 3. What is the total amount to be paid. 4. Was the plant in shape to operate at time of purchase. 5. If not, what will it cost to equip it. 6. What kind of films does the Government intend to make.

And the Premier replied as follows:—

1. James J. Connelly of the Town of Trenton. 2. Yes. 3. \$30,000. 4. Yes. For ordinary purposes, a few minor repairs were necessary to connect the plant with the water system, sewers and electric light, and to obtain a better insurance rate. 5. Approximately \$6,000. 6. Educational, Agricultural, Industrial, Natural Resources Development, and general advertising of the Province.

Mr. Wallis asked the following Question:—

Is F. H. Keefer, mentioned in 1923 Public Accounts, p. E 6 and E 7, as having received \$43.45 travelling expenses and \$9.28 sundry disbursements, the F. H. Keefer who was elected a member for and sits in this House as member for the riding of Port Arthur. What are the dates of said payments. In connection with what services were said payments made. Have any further sums been paid to the said F. H. Keefer since October 31st, 1923.

And the Premier replied in the words following:—

(a) Yes. (b) November 2nd, 1923. (c) In connection with the office of the Legislative Secretary for Northern Ontario. (d) Yes.

The House resolved itself into a Committee to consider Bill (No. 100), To amend the Ontario Telephone Act, 1918, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 61), To provide for a Legislative Secretary for Northern Ontario and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 62), To amend the Ontario Public Superannuation Act and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 51), Respecting the Town of Oshawa.

Bill (No. 3), Respecting the Town of Trenton.

Bill (No. 107), Respecting the Municipality of Neebing.

Bill (No. 43), Respecting the Township of North York.

Bill (No. 2), Respecting the Town of Cobourg.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without Amendments

Ordered, That the Bills reported, be severally read the third time To-morrow

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Regulations and Orders-in-Council made from 7th February to 6th March, 1924, of the Department of Education or of the Public Schools, Separate Schools or High Schools. (*Sessional Papers, No. 54.*)

Also—Return to an Order of the House of February 22nd, 1924, that there be laid before House a Return showing (a) all correspondence between the Government, or any Member of it and Mr. J. G. Ramsden since the 15th of July last and (b) for a similar return of all correspondence (if any) since the said date between the Hydro-Electric Power Commission of Ontario or the Chairman thereof and Mr. J. G. Ramsden. (*Sessional Papers, No. 63.*)

The House then adjourned at 5.05 p.m.

Tuesday, March 18th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Speaker informed the House:—

That the Clerk had received from the Railway and Municipal Board, their report in the following case:—

Bill (No. 32), An Act to consolidate the Floating Debt of the Town of Georgetown.

The Report was then read by the Clerk at the Table, as follows:—

To The Honourable, The Legislative Assembly of the Province of Ontario.

Upon the reference under Rule 61a of your Honourable House to The Ontario Railway and Municipal Board of Bill No. 32 (1924), entitled "An Act to Consolidate the Floating Debt of the Town of Georgetown," the Board begs leave respectfully to report that in the judgment of the Board it is reasonable that such Bill should be passed by your Honourable House, as amended.

About one-half of the floating debt of \$10,000 referred to in the Bill has been incurred for improvements of a permanent character, and for this reason

the Board is of opinion that the debentures might be issued payable in not more than ten years from the date of issue.

All of which is respectfully submitted.

A. B. INGRAM,
Vice-Chairman.

J. A. ELLIS,
Commissioner.

Dated at Toronto,
this 17th day of March, A.D. 1924.

Ordered, That Bill (No. 32), To Consolidate the Floating Debt of the Town of Georgetown, be referred to the Committee on Private Bills with instructions to consider the same with reference to the suggestions of the Railway and Municipal Board thereon.

Mr. Lewis from the Standing Committee on Standing Orders presented their Sixth Report, which was read as follows and adopted.

Your Committee have carefully considered the following Petitions and find the notices as published in each case sufficient:—

Of John Wright and others of Scarborough, praying that an Act may pass to incorporate a part of the Township of Scarborough as the Township of North Scarborough.

Of George N. Kilmer and others of Toronto, praying that an Act may pass to incorporate the Abitibi Railway and Navigation Company and for other purposes.

Of the Town Council of Ford City, praying that an Act may pass to ratify and confirm a certain By-law.

Of the Township Council of Cornwall, praying that an Act may pass to ratify and confirm a certain Agreement and By-law.

Of the Ontario Asphalt Block Company, praying that an Act may pass for the purpose of establishing a certain right-of-way.

Of the Township Council of York, praying that an Act may pass to enable the construction and operation of a street railway system and for other purpose

Of the City Council of Toronto, praying that an Act may pass to authorize the Corporation to pass certain By-laws and for other purposes.

Of the Midland Simcoe Railway Company, praying that an Act may pass to extend the time for the commencement and completion of the Railway.

Of Regina Reef Gold Mines Limited, praying that an Act may pass directing the Master of Titles at Kenora to register a certain transfer of lands.

Of the Town Council of Pembroke, praying that an Act may pass authorizing the issue of certain debentures.

Of the Town Council of Trenton, praying that an Act may pass to ratify and confirm a certain By-law.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Fifth Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 18), An Act respecting certain lands situate on Goyeau Street, in the City of Windsor.

Bill (No. 55), An Act to amend the City of Chatham Act, 1921.

Bill (No. 83), An Act respecting the Town of Sandwich.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 5), An Act to incorporate the Town of La Salle.

Bill (No. 82), An Act respecting the Town of Walkerville.

Bill (No. 96), An Act respecting the Township of Rochester.

The following Bills were severally introduced and read the first time:—

Bill (No. 31), intituled "An Act to incorporate the Abitibi Railway and Navigation Company." *Mr. Morel.*

Referred to the Committee on Railways.

Bill (No. 40), intituled "An Act respecting the Town of Ford City." *Mr. Bellier.*

Referred to the Committee on Private Bills.

Bill (No. 56), intituled "An Act respecting the Town of Pembroke." *Mr. Stuart.*

Referred to the Committee on Private Bills.

Bill (No. 86), intituled "An Act to incorporate a part of the Township of Scarborough as the Township of North Scarborough." *Mr. Keith.*

Referred to the Committee on Private Bills.

Bill (No. 140), intituled "An Act respecting the Ontario Asphalt Block Company, Limited." *Mr. Wilson (Windsor.)*

Referred to the Committee on Private Bills.

Bill (No. 141), intituled "An Act respecting the City of Toronto." *Mr. Nesbitt.*

Referred to the Committee on Private Bills.

Bill (No. 153), intituled "An Act respecting the Black Eagle Gold Mining Company, Limited." *Mr. Nesbitt.*

Referred to the Committee on Private Bills.

Bill (No. 182), intituled "An Act to provide Compensation for Damages caused by Sulphur Fumes." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 183), intituled "An Act to amend the Ontario Companies Act." *Mr. Vaughan.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 184), intituled "An Act to amend the Land Transfer Tax Act." *Mr. Price.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 185), intituled "An Act to amend the Pharmacy Act." *Mr. Lewis.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 186), intituled "An Act to amend the Public Vehicles Act." *Mr. Ferguson.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 187), intituled "An Act to amend the Public Utilities Act." *Sir Adam Beck.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 188), intituled "An Act to amend the Local Improvement Act." *Sir Adam Beck.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 189), intituled "An Act to amend the Assessment Act." *Sir Adam Beck.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 190), intituled "An Act to amend the Power Commission Act." *Sir Adam Beck.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 148), To amend the Planning and Development Act.

Referred to the Municipal Committee.

Bill (No. 178), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 176), To regulate the Boring and Protection of Wells.

Referred to a Committee of the Whole House To-morrow.

The Order of the Day for the second reading of Bill (No. 138), To amend the Municipal Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The House resolved itself into a Committee to consider Bill (No. 112), To authorize the Lieutenant-Governor in Council to guarantee the payment of certain Debentures, and, after some time spent therein, Mr. Speaker resumed

the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 164) Respecting the Granting of Bonuses by Municipal Corporations, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 158), To provide for the Licensing of Saw Mills and Pulp and Paper Mills, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 165), To amend the Crown Attorneys Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 159), To amend the Crown Timber Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 166), To amend the Magistrates Act, 1922, and, after some time spent therein, Mr.

Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 123), To amend the Ontario Highway Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time to-morrow.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1924, the following sum:—

| | |
|--|----------------|
| 216 To defray the expenses of the Hydro-Electric Power | |
| Commission of Ontario..... | \$9,907,012 80 |

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report *Re* Housing of the Bureau of Municipal Affairs for 1923. (*Sessional Papers*, No. 63.)

Also—Annual Report of the Department of Public Highways, Ontario, 1923. (*Sessional Papers*, No. 64.)

The House then adjourned at 6.30 p.m.

Wednesday, March 19th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Petitions were read and received:—

Of the City Council of Galt, praying that an Act may pass authorizing the Corporation to assess one-half of the cost of a certain pavement in the City.

Of the Town Council of Newmarket, praying that an Act may pass to ratify and confirm certain By-laws.

Mr. McKeown, from the Standing Committee on Municipal Law, presented their Second Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Bills and beg to report the same with certain amendments:—

Bill (No. 104), An Act to amend the Railway Employees and Commercial Travellers Voting Act, 1923.

Bill (No. 120), An Act to amend the Local Improvement Act.

The following Bill was introduced and read the first time:—

Bill (No. 192), intituled "An Act respecting the Hydro-Electric Railway Act, 1919, and the Contract set out in Schedule 'A' of said Act." *Sir Adam Beck.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 60), intituled "An Act respecting Insurance."

Referred to a Committee of the Whole House To-morrow.

Bill (No. 161), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 168), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 52), Respecting the City of Ottawa.

Referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 46), To incorporate the Midland Y.M.C.A.

Bill (No. 26), To amend the Act respecting the Town of Ojibway.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, that the Committee had directed him to report the several Bills with Amendments.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bills reported, be severally read the third time To-morrow.

Mr. Ferguson delivered to Mr. Speaker a message from the Administrator of the Government, signed by himself; and the said message was read by Mr. Speaker, and is as follows:—

W. MULOCK.

The Administrator of the Government transmits further Supplementary Estimates of certain sums required for the service of the Province for the year ending 31st October, 1924, and recommends them to the Legislative Assembly.

OSGOODE HALL,

Toronto, March 19th, 1924.

(*Sessional Papers, No. 2.*)

Ordered, That the message of the Administrator, together with the estimates accompanying same, be referred to the Committee of Supply.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1924, the following sums:—

| | |
|--|-------------|
| 218. To defray the expenses of Civil Government..... | \$25,575 00 |
| 219. To defray the expenses of the Legislation..... | 10,000 00 |
| 220. To defray the expenses of the Administration of Justice..... | 7,000 00 |
| 221. To defray the expenses of the Education..... | 41,500 00 |
| 229. To defray the expenses of the Attorney-General's Department—Miscellaneous..... | 45,000 00 |

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The House then adjourned at 6.05 p.m.

Thursday, March 20th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

On motion of Mr. Wilson (Windsor), seconded by Mr. Mahoney,

Ordered, That, notwithstanding the time for presenting Petitions for Private Bills has elapsed, leave be given to present the Petition of the Essex Border Utilities Commission and that the same be now read and received.

The following Petition was then presented, read and received:—

Of the Essex Border Utilities Commission, praying that an Act may pass to ratify and confirm certain Debentures.

The following Bills were severally introduced and read the first time:—

Bill (No. 171), intituled "An Act respecting the Township of Cornwall." *Mr. Milligan.*

Referred to the Committee on Private Bills.

Bill (No. 174), intituled "An Act respecting the Midland Simcoe Railway Company." *Mr. Finlayson.*

Referred to the Committee on Railways.

Bill (No. 193), intituled "An Act to amend the Ontario Temperance Act." *Mr. Pinard.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 194), intituled "An Act to amend the Forest Fire Prevention Act." *Mr. Lyons.*

Ordered, That the Bill be read the second time To-morrow.

• Bill (No. 195), intituled "An Act to amend the Northern and North-western Ontario Development Act, 1912." *Mr. Lyons.*

Ordered, That the Bill be read the second time To-morrow.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1924, the following sums:—

| | |
|--|--------------|
| 222. To defray the expenses of the Agriculture | \$250,500 00 |
| 223. To defray the expenses of the Colonization and Emigration..... | 6,416 93 |
| 224. To defray the expenses of the Hospitals and Charities | 50,000 00 |
| 225. To defray the expenses of the Public Buildings..... | 61,300 00 |
| 226. To defray the expenses of the Public Works..... | 47,847 30 |
| 227. To defray the expenses of the Department of Labour | 20,000 00 |

| | |
|---|--------------|
| 228. To defray the expenses of the Game and Fisheries.. | 12,500 00 |
| 230. To defray the expenses of the Treasury Department —Miscellaneous..... | 13,000 00 |
| 231. To defray the expenses of the Lands and Forests... | 698 75 |
| 232. To defray the expenses of the Department of Mines | 10,000 00 |
| 233. To defray the expenses of the Refund Account..... | 39,000 00 |
| 234. To defray the expenses of the Miscellaneous..... | 1,011,947 65 |

Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The House then adjourned at 10.45 p.m.

Friday, March 21st, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Lewis from the Standing Committee on Standing Orders presented their Seventh Report, which was read as follows and adopted.

Your Committee have carefully considered the following Petitions and find the Notices as published in each case sufficient:—

Of N. H. Baer and others of Colborne, praying that an Act may pass to dissolve the Benmiller Consolidated School Section.

Of the St. Catharines General and Marine Hospital, praying that an Act may pass to re-constitute the Hospital as a Corporation and to validate a By-law.

Of the Township Council of Toronto, praying that an Act may pass to establish restricted districts and for other purposes.

Of the City Council of Belleville, praying that an Act may pass authorizing the passing of a By-law authorizing the issue of debentures to pay the cost of a certain sewer.

Of the City Council of Toronto, praying that an Act may pass enabling the city to pass certain By-laws and authorizing the Council of the Corporation to remit taxes on War Veterans Club houses in the city.

Of the City Council of Toronto, praying that an Act may pass to amend the Act incorporating the Consumers' Gas Company of the City of Toronto.

Of the Township Council of Tisdale, praying that an Act may pass authorizing the passing of By-laws for licensing, regulating and governing traffic and rates of fare within the Corporation.

Your Committee recommend that Rule No. 51 of your Honourable House be further suspended in this that the time for introducing Private Bills be further extended until and inclusive of Wednesday, the 26th day of March, instant.

Ordered, That the time for introducing Private Bills be further extended until and inclusive of Wednesday, the 26th day of March, instant.

The following Bills were severally introduced and read the first time:—

Bill (No. 47), intituled "An Act to dissolve the Benmiller Consolidated School Section." *Mr. Wigle*.

Referred to the Committee on Private Bills.

Bill (No. 145), intituled "An Act respecting the Township of Tisdale." *Mr. Lang*.

Referred to the Committee on Private Bills.

Bill (No. 146), intituled "An Act to incorporate the St. Catharines General Hospital." *Mr. Graves*.

Referred to the Committee on Private Bills.

Bill (No. 169), intituled "An Act respecting the City of Toronto." *Mr. Nesbitt*.

Referred to the Committee on Private Bills.

Bill (No. 170), intituled "An Act to amend an Act to further extend the powers of the Consumers' Gas Company of Toronto." *Mr. Nesbitt*.

Referred to the Committee on Private Bills.

Bill (No. 84), intituled "An Act respecting the City of Niagara Falls."
Mr. Willson (Niagara Falls).

Referred to the Committee on Private Bills.

Bill (No. 106), intituled "An Act respecting the Township of York." *Mr. Keith.*

Referred to the Committee on Private Bills.

Bill (No. 196), intituled "An Act to amend the Municipal Act." *Mr. Jamieson (Grey.)*

Ordered, That the Bill be read the second time on Monday next.

The following Bills were severally read the second time:—

Bill (No. 39), Respecting the City of Toronto.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 53), Respecting the City of St. Thomas.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 18), Respecting certain lands situate on Goyeau Street in the City of Windsor.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 55), To amend the City of Chatham Act, 1921.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 83), Respecting the Town of Sandwich.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 5), To incorporate the Town of La Salle.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 82), Respecting the Town of Walkerville.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 63), To amend the School Laws.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 182), To provide Compensation for Damage caused by Sulphur Fumes.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 184), To amend the Land Transfer Tax Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 186), To amend the Public Vehicles Act.

Referred to a Committee of the Whole House on Monday next.

On motion of Mr. Price, seconded by Mr. Martin,

Ordered, That the House do forthwith resolve itself into a Committee of the Whole to consider certain proposed Resolutions respecting the raising of certain moneys.

Mr. Ferguson acquainted the House that His Honour the Administrator having been informed of the subject matter of the proposed Resolutions, recommends them to the consideration of the House.

The House then resolved itself into the Committee.

(In the Committee.)

Resolved—1. That the Lieutenant-Governor in Council be authorized to raise by way of loan a sum of money not exceeding Forty Million Dollars (\$40,000,000) for all or any of the purposes following, that is to say: For the public service, for works carried on by commissioners on behalf of Ontario, for the covering of any debt of Ontario on open account, for paying any floating indebtedness of Ontario, for the carrying on of the public works authorized by the Legislature and for redeeming in whole or in part the outstanding debentures of the Province of Ontario that have been issued free of succession duty.

2. That the aforesaid sum of money may be borrowed for any term or terms not exceeding forty years, at such rate as may be fixed by the Lieutenant-Governor in Council and shall be raised upon the credit of the Consolidated Revenue Fund of Ontario, and shall be chargeable thereupon.

3. That the Lieutenant-Governor in Council may provide for a special sinking fund with respect to the issue herein authorized, and such sinking fund

may be at a greater rate than the one-half of one per centum per annum specified in subsection 2 of section 4 of The Provincial Loans Act.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to certain Resolutions.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolutions as follows:—

Resolved—1. That the Lieutenant-Governor in Council be authorized to raise by way of loan a sum of money not exceeding Forty Million Dollars (\$40,000,000) for all or any of the purposes following, that is to say: For the public service, for works carried on by commissioners on behalf of Ontario, for the covering of any debt of Ontario on open account, for paying any floating indebtedness of Ontario, for the carrying on of the public works authorized by the Legislature and for redeeming in whole or in part the outstanding debentures of the Province of Ontario that have been issued free of succession duty.

2. That the aforesaid sum of money may be borrowed for any term or terms not exceeding forty years, at such rate as may be fixed by the Lieutenant-Governor in Council and shall be raised upon the credit of the Consolidated Revenue Fund of Ontario, and shall be chargeable thereupon.

3. That the Lieutenant-Governor in Council may provide for a special sinking fund with respect to the issue herein authorized, and such sinking fund may be at a greater rate than the one-half of one per centum per annum specified in subsection 2 of section 4 of The Provincial Loans Act.

The Resolutions having been read the second time, were agreed to, and referred to the Committee of the Whole House on Bill (No. 197), For raising money on the credit of the Consolidated Revenue Fund.

The following Bill was then introduced and read the first time:—

Bill (No. 197), intituled "An Act for raising money on the credit of the Consolidated Revenue Fund." *Mr. Price*.

Ordered, That the Bill be read the second time on Monday next.

On motion of Mr. Price, seconded by Mr. Martin,

Ordered, That the House do forthwith resolve itself into a Committee of the Whole to consider certain proposed Resolution respecting the Whitney Township Debentures.

Mr. Ferguson acquainted the House that His Honour the Administrator, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

(*In the Committee.*)

Resolved—1. That the debentures numbered twelve to twenty, inclusive, and being each for the sum of \$1,471.65 issued by the corporation of the Township of Whitney under By-law No. 13 in the year 1912 and purchased by the Lieutenant-Governor in Council on behalf of the Province under the authority of section 40 of *The Statute Law Amendment Act, 1912*, and payable in the years 1917 to 1923 inclusive, shall be payable in the years 1933 to 1940 inclusive. That is to say, one of the said debentures shall become due and payable in each of the years included in the last mentioned period, but no additional interest shall be payable in respect of the said debentures by reason of such postponement.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to a certain Resolution.

Ordered, That the Report be now received.

Mr. Jamieson (Grey) reported the Resolution as follows:—

Resolved—1. That the debentures numbered twelve to twenty, inclusive, and being each for the sum of \$1,471.65 issued by the corporation of the Township of Whitney under By-law No. 13 in the year 1912 and purchased by the Lieutenant-Governor in Council on behalf of the Province under the authority of section 40 of *The Statute Law Amendment Act, 1912*, and payable in the years 1917 to 1923 inclusive, shall be payable in the years 1933 to 1940 inclusive. That is to say, one of the said debentures shall become due and payable in each of the years included in the last mentioned period, but no additional interest shall be payable in respect of the said debentures by reason of such postponement.

The Resolution, having been read the second time, was agreed to, and referred to the Committee of the Whole House on Bill (No. 198), Respecting certain Debentures of the Township of Whitney.

The following Bill was then introduced and read the first time:—

Bill (No. 198), intituled "An Act respecting certain Debentures of the Township of Whitney." *Mr. Price.*

Ordered, That the Bill be read the second time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 176), To regulate the Boring and Protection of Wells, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey), reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 60), Respecting Insurance, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had made some progress, and directed him to ask for leave to sit again.

Resolved, That the Committee have leave to sit again on Monday next.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report of the Inspector of Registry Offices for the year 1923. (*Sessional Papers*, No. 7.)

The House then adjourned at 5.05 p.m.

Monday, March 24th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Black, from the Standing Committee on Fish and Game, presented their Report. (*Appendix No. 1.*)

The following Bills were severally introduced and read the first time:—

Bill (No. 126), intituled "An Act respecting the Township of Toronto."
Mr. Kennedy (Peel.)

Referred to the Committee on Private Bills.

Bill (No. 199), intituled "An Act to amend the Police Magistrates Act."
Mr. Nickle.

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the third time and passed:—

Bill (No. 66), To amend the Mining Act of Ontario.

Bill (No. 94), To amend the Mining Tax Act.

Bill (No. 28), Respecting the Township of Etobicoke.

Bill (No. 110), For the establishment of the Department of Health.

Bill (No. 90), To amend the Dog Tax and Sheep Protection Act.

Bill (No. 11), Respecting the Kitchener-Waterloo General Hospital.

Bill (No. 43), Respecting the Township of North York.

Bill (No. 2), Respecting the Town of Cobourg.

Bill (No. 51), Respecting the City of Oshawa.

Bill (No. 3), Respecting the Town of Trenton.

Bill (No. 107), Respecting the Municipality of Neebing.

Bill (No. 100), To amend the Ontario Telephone Act.

Bill (No. 61), To provide for a Legislative Secretary for Northern Ontario.

Bill (No. 112), To authorize the Lieutenant-Governor in Council to guarantee the payment of certain Debentures.

Bill (No. 158), To provide for the Licensing of Saw Mills and Pulp and Paper Mills.

Bill (No. 159), To amend the Crown Timber Act.

Bill (No. 165), To amend the Crown Attorneys Act.

Bill (No. 166), To amend the Magistrates Act, 1922.

Bill (No. 46), To incorporate the Midland Y.M.C.A.

Bill (No. 26), To amend the Act respecting the Town of Ojibway.

Bill (No. 176), To regulate the Boring and Protection of Wells.

Mr. Raney asked the following Question:—

1. What salaries are being paid to the directors of the Ontario Power Company as named at page 158 of the Votes and Proceedings of the Legislative Assembly for the present session, by (a) The Province of Ontario; (b) The Hydro-Electric Power Commission of Ontario; (c) The Ontario Power Company.
2. If the salaries being paid to the persons named are being paid for different classes of services, for what services respectively are such salaries being paid.
3. How are the respective salaries allocated in respect of the said services.
4. When were the said directors respectively elected as such.

And the Premier replied in the words and figures following:—

1. No salaries are paid to Directors of the Ontario Power Company as directors. 1. (a), (b), (c) Answered by No. 1. 2. The salaries paid to members and officers of the Commission were paid to remunerate them for the increased duties and responsibilities placed upon them in the administration of the affairs of the Ontario Power Company. 3. President, \$6,000 *per annum*; 1st Vice-President, \$2,000 *per annum*; 2nd Vice-President, \$2,000 *per annum*; Secretary, \$2,400 *per annum*; Treasurer, \$2,400 *per annum*; Chief Engineer, \$2,400 *per annum*; Accountant, \$1,000 *per annum*; payable by the Ontario Power Company of Niagara Falls. 4. President, June, 1918; other members and officers, June, 1920.

Mr. Wigle asked the following Question:—

1. Is the highway from Stratford to Goderich completed. If not, what work is there to be done. 2. Have Contracts Nos. 846, 875, 911 and 950 been completed. If so, when. 3. What extensions of time, if any, have been given to the contractors. Length of time given. What is meant by "On Account."
4. Webster Construction Company. Item 846, 950, 845, 911. Have the Government decided as to the road being an 86-foot roadway, or a 66-foot.

To which the Premier replied in the words following:—

1. No. Work to be done is grading from Mitchell to Dublin; from Seaforth westerly 2.16 miles; and easterly 1 mile from Clinton; widening of Seaforth bridge and gravelling of road where necessary. 2. Yes, January 1st, 1924.

3. None, work was not completed on October 31st, 1923, and consequently final payment on contracts could not be made. 4. First part of question is not clear. Yes, 66 feet wide.

Mr. Biggs asked the following Question:—

1. What is the total mileage in the Province of Ontario (a) of Provincial roads; (b) of Provincial county roads; (c) of county roads; (d) of township roads. 2. How many miles of Provincial roads are graded and ditched. 3. State type of surface on Provincial roads; (a) give mileage of different types. 4. How many (a) bridges, and (b) culverts, have been constructed on Provincial roads. 5. How many (a) bridges, and (b) culverts, remain to be constructed on Provincial roads.

And the Premier replied in the words and figures following:—

1. (a) 1,845.43; (b) 2,173.8; (c) 7,725.2; (d) 38,221.57. 2. 1,621. 3. Gravel, 1,112.5 miles; macadam, 153.5 miles; bituminous macadam, 105 miles; asphaltic concrete, 131.5 miles; cement concrete, 118.5 miles; original surface maintained with light gravelling, 224.43. 4. (a) 72; (b) 4,940. 5. (a) 11 to be built during 1924; (b) 8 to be built during 1924.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 52), Respecting the City of Ottawa.

Bill (No. 39), Respecting the City of Toronto.

Bill (No. 53), Respecting the City of St. Thomas.

Bill (No. 18), Respecting certain lands situate on Goyeau Street in the City of Windsor.

Bill (No. 55), To amend the City of Chatham Act, 1921.

Bill (No. 83), Respecting the Town of Sandwich.

Bill (No. 5), To incorporate the Town of La Salle.

Bill (No. 82), Respecting the Town of Walkerville.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without Amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 182), To provide Compensation for Damage caused by Sulphur Fumes, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 184), To amend the Land Transfer Tax Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 186), To amend the Public Vehicles Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 120), To amend the Local Improvement Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House again resolved itself into a Committee to consider Bill (No. 60), Respecting Insurance, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had made some progress, and directed him to ask for leave to sit again.

Resolved, That the Committee have leave to sit again To-morrow.

The following Bills were severally read the second time:—

Bill (No. 45), Respecting the Town of Orillia.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 155), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 162), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 179), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 180), To amend the Cemetery Act.

Referred to the Municipal Committee.

Bill (No. 185), To amend the Pharmacy Act.

Referred to the Private Bills Committee.

The Order of the Day for the second reading of Bill (No. 70), To amend the Municipal Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Order of the Day for the second reading of Bill (No. 154), To amend the Assessment Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Order of the Day for the second reading of Bill (No. 125), To amend The Public School Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Third Annual Report of the Mothers' Allowance Commission, 1922-1923.
(*Sessional Papers, No. 65.*)

The House then adjourned at 6.00 p.m.

Tuesday, March 25th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Lewis, from the Standing Committee on Standing Orders, presented their Eighth Report, which was read as follows and adopted:—

Your Committee have carefully considered the Petition of the Essex Border Utilities Commission, praying that an Act may pass to ratify and confirm certain By-laws, and find the notices as published sufficient.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Sixth Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 15), An Act respecting the Township of Stamford.

Bill (No. 27), An Act respecting the Town of Dundas.

Bill (No. 56), An Act respecting the Town of Pembroke.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 25), An Act respecting the Ottawa Electric Railway Company.

Bill (No. 44), An Act respecting the Royal Ottawa Sanatorium.

Bill (No. 48), An Act respecting the City of London.

Bill (No. 57), An Act respecting the City of Windsor.

Your Committee recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 44), "An Act respecting the Royal Ottawa Sanatorium," on the ground that it is one relating to a charitable institution.

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 44), Respecting the Royal Ottawa Sanatorium.

Mr. McKeown, from the Standing Committee on Municipal Law, presented their Third Report which was read as follows and adopted:—

Your Committee have carefully considered the following Bills and beg to report the same without amendment:—

Bill (No. 99), An Act to amend the Ontario Voters' Lists Act.

Bill (No. 114), An Act to amend the Public Health Act.

Bill (No. 148), An Act to amend the Planning and Development Act.

Bill (No. 150), An Act to amend the Local Improvement Act.

The following Bills were severally introduced and read the first time:—

Bill (No. 191), intituled "An Act to validate certain debentures of the Essex Border Utilities Commission." *Mr. Wilson (Windsor.)*

Referred to the Committee on Private Bills.

Bill (No. 200), intituled "An Act to amend the Ontario Temperance Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 201), intituled "An Act to amend the Community Halls Act, 1920." *Mr. Chambers (Oxford.)*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 202), intituled "An Act respecting the Culling and Management of Timber cut upon Public Lands." *Mr. Lyons.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 203), intituled "An Act to encourage the destroying of Wolves." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 187), To amend the Public Utilities Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 188), To amend the Local Improvement Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 189), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 190), To amend the Power Commission Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 192), Respecting the Hydro-Electric Railway Act, 1919, and the Contract set out in Schedule "A" of said Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 194), To amend the Forest Fire Prevention Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 195), To amend the Northern and Northwestern Ontario Development Act, 1912.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 197), For raising money on the credit of the Consolidated Revenue Fund.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 198), Respecting certain Debentures of the Township of Whitney.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 199), To amend the Police Magistrates Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 137), To amend the Municipal Franchise Act.

Referred to the Municipal Committee.

Bill (No. 183), To amend the Ontario Companies Act.

Referred to the Legal Committee.

The Order of the Day for the second reading of Bill (No. 163), For the settlement of certain questions between the Government of Canada and Ontario respecting Indian Reserve Lands, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Order of the Day for the second reading of Bill (No. 156), To amend the Public Health Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The Order of the Day for the second reading of Bill (No. 193), To amend the Ontario Temperance Act, having been read,

Mr. Pinard moved,

That the Bill be now read the second time.

And the motion having been put, was lost on the following division:—

YEAS.

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|-----------|-------------|-----------|
| Belanger. | McCausland. | Pinard. |
| Lang. | Mageau. | Proulx—6. |

NAYS.

| | | | |
|--------------|------------|---------------|-------------|
| Acres. | Fenton. | Keith. | Oakley. |
| Armstrong. | Ferguson. | Kemp. | Oke. |
| Belford. | Finlayson. | Kennedy. | Patterson. |
| Berry. | Fisher. | (Temiskaming) | Price. |
| Black. | Freeborn. | Lethbridge. | Rankin. |
| Bowman. | Garden. | Lewis. | Ross. |
| Bradburn. | Godfrey. | Lyons. | Rowe. |
| Bragg. | Goldie. | McBrien. | Sangster. |
| Carmichael. | Gray. | McCallum. | Sinclair. |
| Carr. | Graves. | McCrea. | Spence. |
| Chambers. | Hambly. | McKeown. | Stedman. |
| (Oxford) | Haney. | McKnight. | Sweet. |
| Chambers. | Harcourt. | MacBride. | Taylor. |
| (Wellington) | Hill. | MacDiarmid. | Thompson. |
| Clarke. | Hillmer. | Mahony. | (Lanark) |
| (Brockville) | Ireland. | Mark. | Trewartha. |
| Colliver. | Irvine. | Martin. | Wallis. |
| Cooke. | Jamieson. | Mewhinney. | Weichel. |
| Crawford. | (Grey) | Milligan. | Widdifield. |
| Currie. | Jamieson. | Monteith. | Wigle. |
| Doherty. | (Simcoe) | Morel. | Wilson. |
| Elliott. | Johnston. | Nesbitt. | (Windsor) |
| Fallis. | Joynt. | Nickle. | Wright—84. |

And so it was declared in the negative.

Mr. Ferguson delivered to Mr. Speaker a message from the Administrator of the Government, signed by himself; and the said message was read by Mr. Speaker, and is as follows:—

W. MULOCK.

The Administrator of the Government transmits Estimates of certain sums required for the service of the Province for the year ending 31st October, 1925, and recommends them to the Legislative Assembly.

OSGOODE HALL,

Toronto, March 25th, 1924.

(*Sessional Papers, No. 2.*)

Ordered, That the message of the Administrator, together with the estimates accompanying same, be referred to the Committee of Supply.

The House, according to Order, again resolved itself into the Committee of Supply.

(*In the Committee.*)

Resolved, That there be granted to His Majesty, for the services of 1925 the following sums:—

| | |
|---|--------------|
| 1. To defray the expenses of the Lieutenant-Governor's Office..... | \$5,450 00 |
| 2. To defray the expenses of the Executive Council Office | 36,875 00 |
| 4. To defray the expenses of the Bonuses to Rural Primary Transmission Lines..... | 1,000,000 00 |
| 5. To defray the expenses of the Temiskaming and Northern Ontario Railway Commission..... | 1,000,000 00 |
| 6. To defray the expenses of the Legislation..... | 322,200 00 |
| 7. To defray the expenses of the Civil Government.... | 202,150 00 |
| 8. To defray the expenses of the Supreme Court of Ontario..... | 105,600 00 |
| 9. To defray the expenses of the Sundry Civil and Criminal Justice..... | 1,403,785 00 |
| 11. To defray the expenses of the Miscellaneous Services | 90,500 00 |
| 12. To defray the expenses of the Civil Government Education Department..... | 84,750 00 |

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|--|----------------|
| 13. To defray the expenses of the Public and Separate School Education..... | \$4,566,400 00 |
| 14. To defray the expenses of the Toronto Normal and Model Schools..... | 152,195 00 |
| 15. To defray the expenses of the Ottawa Normal and Model Schools..... | 96,750 00 |
| 16. To defray the expenses of the London Normal and Model Schools..... | 52,050 00 |
| 17. To defray the expenses of the Hamilton Normal School..... | 42,820 00 |
| 18. To defray the expenses of the Peterborough Normal School..... | 40,100 00 |
| 19. To defray the expenses of the Stratford Normal School..... | 39,500 00 |
| 20. To defray the expenses of the North Bay Normal School..... | 109,200 00 |
| 22. To defray the expenses of the High Schools and Collegiate Institutes..... | 329,550 00 |
| 23. To defray the expenses of the Departmental Museum | 13,300 00 |
| 24. To defray the expenses of the Public Libraries, Art Schools, Historical, Literary and Scientific Societies.. | 116,050 00 |
| 25. To defray the expenses of the Technical Education.. | 857,150 00 |
| 26. To defray the expenses of the Superannuated Teachers..... | 55,150 00 |
| 27. To defray the expenses of the Provincial and other Universities..... | 199,535 00 |
| 28. To defray the expenses of the Belleville School for the Deaf..... | 138,470 00 |
| 29. To defray the expenses of the Brantford School for the Blind..... | 99,459 00 |
| 30. To defray the expenses of the Monteith Northern Academy..... | 88,440 00 |
| 31. To defray the expenses of the Miscellaneous..... | 37,400 00 |

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The House then adjourned at 6.25 p.m.

Wednesday, March 26th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Speaker informed the House:—

That the Clerk had received from the Railway and Municipal Board, their Report in the following case:—

Bill (No. 6), An Act to consolidate the Floating Debt of the Town of Goderich.

The report was then read by the Clerk at the Table, as follows:—

To the Honourable, the Legislative Assembly of the Province of Ontario.

Upon the reference under Rule 61a of your Honourable House to The Ontario Railway and Municipal Board, of Bill No. 6 (1924), entitled "An Act to consolidate the Floating Debt of the Town of Goderich," the Board beg leave respectfully to report that in the judgment of the Board it is reasonable that such Bill should be passed by your Honourable House, as amended.

As the floating debt of \$25,000 has arisen largely by reason of certain industries which had been bonused failing to meet their obligations to the Corporation, and partly by reason of yearly deficits on current account, which

should have been paid out of taxes, the Board recommends that the debentures to be issued should be made payable in not more than fifteen years from the date of issue.

All of which is respectfully submitted.

A. B. INGRAM,
Vice-Chairman.

J. A. ELLIS,
Commissioner.

Dated at Toronto,
this 24th day of March, A.D. 1924.

Ordered, That Bill (No. 6), To consolidate the Floating Debt of the Town of Goderich, be referred to the Committee on Private Bills with instructions to consider the same with reference to the suggestions of the Railway and Municipal Board thereon.

Mr. Finlayson, from the Standing Committee on Legal Bills, presented their First Report, which was read as follows and adopted:—

Your Committee have carefully considered Bill (No. 132), To amend the Ontario Election Act, and have prepared certain amendments thereto.

Your Committee have also carefully considered Bill (No. 183), To amend the Ontario Companies Act, and report the Bill without amendment.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Seventh Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 58), An Act respecting the City of St. Catharines.

Bill (No. 59), An Act respecting the Railroad and City Young Men's Christian Association of the City of St. Thomas.

Bill (No. 81), An Act to amend the Consolidated Essex Border Utilities Act.

Bill (No. 103), An Act to incorporate Ridley College.

Your Committee beg to report the following Bill without amendment:—

Bill (No. 34), An Act to incorporate the Village of Windermere.

Your Committee recommend that the fees, less the actual cost of printing be remitted on Bill (No. 59), "An Act respecting the Railroad and City Young Men's Christian Association of the City of St. Thomas," and on Bill (No. 103) "An Act to incorporate Ridley College," on the ground that they relate to religious and educational institutions respectively.

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 59), Railroad and City Y.M.C.A., and on Bill (No. 103), Ridley College.

On motion of Mr. Graves, seconded by Mr. Sweet,

Ordered, That notwithstanding the time for presenting Petitions for Private Bills has elapsed, leave be given to present a Petition of the City Council of St. Catharines and that the same be now read and received.

The following Petition was then presented, read and received:—

Of the City Council of St. Catharines, praying that an Act may pass authorizing the Corporation to enter into a certain agreement with the Canadian National Railway.

The following Bills were severally introduced and read the first time:—

Bill (No. 173), intituled "An Act respecting the Town of Trenton." *M. Ireland.*

Referred to the Committee on Private Bills.

Bill (No. 175), intituled "An Act respecting the City of Belleville." *M. Ireland.*

Referred to the Committee on Private Bills.

Bill (No. 204), intituled "An Act respecting the City of St. Catharines."
Mr. Graves.

Referred to the Committee on Private Bills.

Bill (No. 205), intituled "An Act to amend the Ontario Land Surveyors
Act." *Mr. Gray.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 206), intituled "An Act to amend the Surveys Act." *Mr. Gray.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 207), intituled "An Act for the settlement of certain questions
between the Governments of Canada and Ontario respecting Indian Reserve
Lands." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 208), intituled "The Hotels Act, 1924." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 209), intituled "The Landlord and Tenant Act, 1924." *Mr.
Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 210), intituled "The Workmen's Compensation Rehabilitation
Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 211), intituled "An Act respecting Street Railway Fares under
Special Acts." *Sir Adam Beck.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 212), intituled "An Act to establish the Mining Court of Ontario."
Mr. McCrea.

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 213), intituled "An Act to amend the Workmen's Compensation
Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 45), Respecting the Town of Orillia, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Chambers (Wellington) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 104), To amend the Railway Employees and Commercial Travellers Voting Act, 1923, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Chambers (Wellington) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 99), To amend the Ontario Voters' Lists Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Chambers (Wellington) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 148), To amend the Planning and Development Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Chambers (Wellington) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 181), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 15), Respecting the Township of Stamford.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 27), Respecting the Town of Dundas.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 56), Respecting the Town of Pembroke.

Referred to a Committee of the Whole House To-morrow.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1925, the following sums:—

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|---|--------------|
| 10. To defray the expenses of the Administration of Justice in Districts..... | \$254,280 00 |
| 21. To defray the expenses of the Education Department—English-French Professional Training Schools | 114,980 00 |
| 32. To defray the expenses of the Lands and Forests Department—Civil Government..... | 240,475 00 |
| 33. To defray the expenses of the Miscellaneous Services | 1,919,900 00 |
| 34. To defray the expenses of the Colonization Roads... | 857,300 00 |
| 35. To defray the expenses of the Mines Department—Civil Government—Mines..... | 161,775 00 |
| 36. To defray the expenses of the Miscellaneous—Mines | 168,550 00 |
| 37. To defray the expenses of the Civil Government—Games and Fisheries Department..... | 47,725 00 |
| 38. To defray the expenses of the Game and Fisheries... | 318,600 00 |
| 39. To defray the expenses of the Public Works Department—Civil Government..... | 84,150 00 |
| 40. To defray the expenses of the Maintenance and Repairs of Government Buildings—Government House..... | 48,825 00 |
| 41. To defray the expenses of the Parliament and Departmental Buildings..... | 437,736 35 |
| 42. To defray the expenses of the Osgoode Hall..... | 64,825 00 |

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|---|--------------|
| 43. To defray the expenses of the Educational Buildings | \$20,110 00 |
| 44. To defray the expenses of the Agricultural Buildings | 14,000 00 |
| 45. To defray the expenses of the District Buildings | 17,500 00 |
| 46. To defray the expenses of the Miscellaneous | 85,500 00 |
| 47. To defray the expenses of the Public Works and Bridges | 161,500 00 |
| 48. To defray the expenses of the Public Buildings— Parliament and Department Buildings | 50,000 00 |
| 49. To defray the expenses of the Public Institutions . . . | 307,000 00 |
| 50. To defray the expenses of the Educational | 50,000 00 |
| 51. To defray the expenses of the Districts | 140,500 00 |
| 52. To defray the expenses of the Miscellaneous | 165,000 00 |
| 53. To defray the expenses of the Highways Department —Civil Government—Public Works and Highways. | 264,375 00 |
| 54. To defray the expenses of the Miscellaneous Services . | 160,350 00 |
| 55. To defray the expenses of the Health Department— Civil Government | 222,675 00 |
| 56. To defray the expenses of the Miscellaneous Services | 410,000 00 |
| 57. To defray the expenses of the Labour Department— Civil Government | 181,675 00 |
| 58. To defray the expenses of the Miscellaneous services | 2,004,775 00 |
| 59. To defray the expenses of the Provincial Treasurer's Department—Civil Government | 227,075 00 |
| 60. To defray the expenses of the Miscellaneous Services | 528,199 00 |
| 61. To defray the expenses of the Provincial Auditor's Office | 61,325 00 |

Mr. Speaker resumed the Chair; and Mr. Owens reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Sixth Annual Report of the Civil Service Commissioner of Ontario for year ending October 31st, 1923. (*Sessional Papers, No. 66.*)

Also—Report of Superintendent of Insurance and Registrar of Friendly Societies. (*Sessional Papers, No. 10.*)

Also—Report of the Registrar Loan Corporations for year ending December 31st, 1923. (*Sessional Papers, No. 12.*)

The House then adjourned at 6.05 p.m.

Thursday, March 27th, 1924.

RAYERS.

3.00 O'CLOCK P.M.

Mr. Gray, from the Standing Committee on Railways, presented their first Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 122), An Act to amend the Ontario Railway Act.

Bill (No. 174), An Act respecting the Midland-Simcoe Railway Company.

Your Committee recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 31), "An Act to incorporate the Abitibi Railway and Navigation Company," the same having been withdrawn by the promoters thereof.

Ordered, That the fees, less the actual cost of printing, be remitted on Bill No. 31), To incorporate the Abitibi Railway and Navigation Company.

The following Bills were severally introduced and read the first time:—

Bill (No. 214), intituled "An Act to amend the Judicature Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 215), intituled "An Act to amend the Rural Hydro-Electric Distribution Act, 1921." *Mr. Cooke.*

Ordered, That the Bill be read the second time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 194), To amend the Forest Fire Prevention Act, and, after some time spent therein Mr. Speaker resumed the Chair; and Mr. Lewis reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 195), To amend the Northern and Northwestern Ontario Development Act, 1912, and after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Lewis reported, That the Committee had directed him to report the Bill without amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 197), For raising Money on the Credit of the Consolidated Revenue Fund, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Lewis reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House again resolved itself into a Committee to consider Bill (No. 60), respecting Insurance, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Lewis reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House, according to Order, again resolved itself into the Committee Supply.

And, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Lewis reported, That the Committee had made some progress; also, That the Committee had directed him to ask for leave to sit again.

Resolved, That the Committee have leave to sit again To-morrow.

The House then adjourned at 6.05 p.m.

Friday, March 28th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Bills were severally introduced and read the first time:—

Bill (No. 216), intituled "An Act respecting the Registration of Brokers."
r. Ferguson.

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 217), intituled "The Ontario Companies Amendment Act, 1924.
Mr. Nickle.

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 218), intituled "An Act respecting the Sale of Securities." *M
Nickle.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 219), intituled "An Act respecting Highways." *Mr. Ferguson.*

Ordered, That the Bill be read the second time on Monday next.

The following Bills were severally read the third time and passed:—

Bill (No. 52), Respecting the City of Ottawa.

Bill (No. 39), Respecting the City of Toronto.

Bill (No. 53), Respecting the City of St. Thomas.

Bill (No. 18), Respecting certain lands situate on Goyeau Street in the City
of Windsor.

Bill (No. 55), To amend the City of Chatham Act, 1921.

Bill (No. 83), Respecting the Town of Sandwich.

Bill (No. 5), To incorporate the Town of La Salle.

Bill (No. 82), Respecting the Town of Walkerville.

Bill (No. 186), To amend the Public Vehicles Act.

Bill (No. 120), To amend the Local Improvement Act.

Bill (No. 148), To amend the Planning and Development Act.

Bill (No. 45), Respecting the Town of Orillia.

Bill (No. 60), Respecting Insurance.

The House resolved itself into a Committee, severally to consider the
following Bills:—

Bill (No. 15), Respecting the Township of Stamford.

Bill (No. 27), Respecting the Town of Dundas.

Bill (No. 56), Respecting the Town of Pembroke.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without Amendments.

Ordered, That the Bills reported, be severally read the third time on Monday next.

The following Bills were severally read the second time:—

Bill (No. 44), Respecting the Royal Ottawa Sanatorium.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 57), Respecting the City of Windsor.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 200), To amend the Ontario Temperance Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 196), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 201), To amend the Community Halls Act, 1920.

Referred to the Municipal Committee.

The Order of the Day for the second reading of Bill (No. 167), To amend the Workmen's Compensation Act, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The House resolved itself into a Committee to consider Bill (No. 199), To amend the Police Magistrates Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House, according to Order, again resolved itself into the Committee on Supply.

And, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had made some progress; also, That the Committee had directed him to ask for leave to sit again.

Resolved, That the Committee have leave to sit again on Monday next.

The House then adjourned at 6.00 p.m.

Monday, March 31st, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Bills were severally introduced and read the first time:—

Bill (No. 220), intituled "An Act to amend the Hospitals for the Insane Act." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 221), intituled "An Act to amend the Natural Gas Conservation Act, 1922." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 222), intituled "An Act to amend the Game and Fisheries Act." *Mr. McCrea.*

Ordered, That the Bill be read the second time To-morrow.

Bill (No. 223), intituled "An Act to validate the Title to certain Mining Lands and Mining Rights." *Mr. Nickle.*

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 48), Respecting the City of London.

Referred to a Committee of the whole House To-morrow.

Bill (No. 58), Respecting the City of St. Catharines.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 103), To incorporate Ridley College.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 34), To incorporate the Village of Windermere.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 174), Respecting the Midland-Simcoe Railway Company.

Referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee to consider Bill (No. 150), To amend the Local Improvement Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Owens reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 183), To amend the Ontario Companies Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Owens reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

Mr. Jamieson (Grey) asked the following Question:—

What loans have been floated by the Government since 1st January, 1914, giving the amount of each loan, the rate of interest and the net price obtained for the bonds.

To which the Premier replied in the figures following:—

| Year | Series | Amount payable in Can. | Amount payable in U.S. | Rate of Interest | Price |
|------|--------------|------------------------|------------------------|------------------|--------|
| 1914 | .. | £817,294 | ..... | 4½ | 101.2 |
| " | E | \$1,000,000 | ..... | 5 | 100 |
| " | F | 205,000 | ..... | 5 | 100 |
| 1915 | F | Bal. 795,000 | ..... | 5 | 100 |
| " | G | ..... | \$1,000,000 | 5 | 100 |
| " | H | ..... | 3,000,000 | 5 | 100.38 |
| " | K | 1,000,000 | ..... | 5 | 100.25 |
| " | L | ..... | 4,000,000 | 4½ | 96.58 |
| 1916 | No letter | ..... | 4,000,000 | 5 | 99.916 |
| " | M | ..... | 8,350,000 | 4 | 100 |
| 1917 | N | ..... | 2,000,000 | 5 | 99.596 |
| " | P | ..... | 1,000,000 | 5 | 99.75 |
| " | R | ..... | 225,000 | 5 | 100 |
| 1918 | Dom. of Can. | 2,000,000 | ..... | 6½ | 100 |
| " | T. & U. | ..... | 3,000,000 | 6 | 97.66 |
| " | V.W.X.Y. | ..... | 6,000,000 | 6 | 99.49 |

| | | | | | |
|------|--------------|------------|------------|----|-----------|
| 1919 | BB | ..... | 3,000,000 | 5 | 98.129 |
| " | CC | ..... | 3,000,000 | 5½ | 101.134 |
| " | DD | ..... | 4,000,000 | 5 | 100.02754 |
| " | EE | ..... | 3,000,000 | 5½ | 99.67 |
| 1920 | FF | ..... | 4,000,000 | 5½ | 94.48 |
| " | GG | ..... | 3,000,000 | 5½ | 97.76 |
| " | HH | ..... | 3,000,000 | 5½ | 90.41 |
| " | JJ | ..... | 5,000,000 | 5½ | 100.65 |
| " | KK | 2,000,000 | ..... | 6 | 100.719 |
| " | LL | ..... | 6,800,000 | 6 | 91.633 |
| " | MM | 8,000,000 | ..... | 6 | 98.236 |
| " | NN | ..... | 3,000,000 | 6 | 103.567 |
| " | .. | 2,000,000 | ..... | 6 | 98.236 |
| 1921 | PP | ..... | 5,000,000 | 6 | 104.533 |
| " | RR | 16,000,000 | ..... | 6 | 92.34 |
| " | SS | 10,000,000 | ..... | 6 | 96.787 |
| " | TT | 15,000,000 | ..... | 6 | 97.94 |
| " | UU & XX | ..... | 15,000,000 | 6 | 106.6008 |
| " | WW & YY | 15,000,000 | ..... | 6 | 96.64 |
| 1922 | Gov't. Stock | ..... | 525,000 | 6 | 104.8499 |
| " | ZZ | ..... | 15,000,000 | 5½ | 101.4537 |
| " | AB | ..... | 15,000,000 | 5 | 97.409 |
| " | AC | ..... | 20,000,000 | 5 | 97.67 |
| 1923 | AD | 20,000,000 | ..... | 5½ | 99.59 |
| " | AE | 2,300,000 | ..... | 5½ | 100 |
| " | AF | 40,000,000 | ..... | 5 | 95.8703 |

Mr. Doherty asked the following Question:—

1. What was the amount of money, if any, due and owing on the 31st October last to the Department of Lands and Forests Department for the fiscal year ending on that date. 2. By what persons or firms were such moneys owing.

To which the Minister of Lands and Forests replied in the words and figures following:—

1. \$2,231,000.00, bonuses and timber dues. 2. It is not deemed expedient to give this information.

Mr. Rankin asked the following Question:—

1. What was the amount of money, if any, due and owing on the 31st October, 1921 and 1922, to the Department of Lands and Forests for the fiscal year ending on these dates. 2. By what persons or firms were such moneys owing.

And the Minister of Lands and Forests replied in the words and figures following:—

1. October 31st, 1921, \$2,608,519.55; October 31st, 1922, \$1,645,155.49.
 2. Not in public interest to answer the question.
-

Mr. Biggs asked the following Question:—

1. Is it the intention of the Government to do away with all county-township, county road systems.
2. Is it the intention of the Government to do away with statute labour in all municipalities.
3. Is it the intention of the Government to require all townships to appoint permanent road superintendents, and if township road superintendents are not appointed that all township road assistance will be cut off.
4. Is the adjustment, as suggested by Mr. Irwin of the Highway Department, to be part of the duties of the New Highway Committee to be appointed by the Government.

To which the Premier replied as follows:—

1. Optional with local authority.
 2. Optional with local authority.
 3. Optional with local authority.
 4. No.
-

Mr. Graves asked the following Question:—

1. What members of the Government were present at Council on February 10th, 1921, when Order-in-Council to buy £50,600 inscribed stock of the Province of Ontario from the Provincial Securities Company was passed.
2. Was this purchase of such inscribed stock as stated in the Order-in-Council at par of the stock and at par of exchange.
3. Who signed the Order-in-Council.

And the Premier replied in the words following:—

1. Messrs. Drury, Raney, Nixon, Smith, Bowman, Biggs, Grant and Mills.
 2. The Order-in-Council authorizes the Treasurer "to purchase out of the Consolidated Revenue Fund at par and par of exchange, with accrued interest to date of delivery the said two blocks of stock amounting in the whole to £50,600."
 3. Honourable E. C. Drury.
-

Mr. Colliver asked the following Question:—

1. What salary did Dr. Gilbert White receive when he was employed by the late Government on Picton-Belleville Provincial Highway as an adjuster and land valuator.
2. Was he a British subject.
3. How long was he employed.

4. What were his expenses charged to the Province during his term of office.
5. Was he directly or indirectly connected with, or did he share in the profits of the Company who furnished all the tile for this road.

To which the Premier replied in the words and figures following:—

1. Salary \$6.00 *per diem* with \$5.00 *per diem* allowance for expenses Salary received 1922, \$1,947.00; salary received 1923, \$1,980.00; total, \$3,927.00
2. The Department has no record.
3. From June 8th, 1922, to July 28th, 1923
4. Question partly answered by Answer 1; an additional amount of \$158.90 for disbursements.
5. Do not know.

The House, according to Order, again resolved itself into the Committee of Supply.

And, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Owens reported, That the Committee had made some progress; also, That the Committee had directed him to ask for leave to sit again.

Resolved, That the Committee have leave to sit again To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report on the Distribution of the Revised Statutes and Sessional Papers for year ending October 31st, 1923. (*Sessional Papers*, No. 67.)

Also—Auditor's Report, 1922-23. (*Sessional Papers*, No. 50.)

The House then adjourned at 6.20 p.m.

Tuesday, April 1st, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Finlayson from the Standing Committee on Legal Bills presented their Second Report, which was read as follows and adopted.

Your Committee have carefully considered the following Bills and have prepared certain amendments thereto respectively:—

Bill (No. 130), Respecting Warehousemen's Liens.

Bill (No. 144), To amend the Registry Act, and

Bill (No. 108), To amend the Consolidated Municipal Act.

The following Bills were severally read the second time:—

Bill (No. 208), The Hotels Act, 1924.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 209), The Landlord and Tenant Act, 1924.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 210), The Workmen's Compensation Rehabilitation Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 213), To amend the Workmen's Compensation Act.

Referred to a Committee of the Whole House To-morrow.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1925, the following sums:—

| | |
|---|-----------------|
| 3. To defray the expenses of the Hydro-Electric Power Commission of Ontario..... | \$22,090,000 00 |
| 62. To defray the expenses of the Provincial Secretary's Department—Civil Government..... | 268,400 00 |
| 63. To defray the expenses of the Miscellaneous Services..... | 4,100 00 |
| 64. To defray the expenses of the Hospitals and Charities..... | 1,307,150 00 |
| 65. To defray the expenses of the Brockville Hospital. | 324,522 00 |

| | |
|---|--------------|
| 66. To defray the expenses of the Cobourg Hospital. . | \$132,050 00 |
| 67. To defray the expenses of the Hamilton Hospital. . | 390,445 00 |
| 68. To defray the expenses of the Kingston Hospital. . | 252,680 00 |
| 69. To defray the expenses of the London Hospital. . . | 423,930 00 |
| 70. To defray the expenses of the Mimico Hospital. . | 249,680 00 |
| 71. To defray the expenses of the Orillia Hospital. . . . | 273,002 00 |
| 72. To defray the expenses of the Penetanguishene Hospital. | 127,240 00 |
| 73. To defray the expenses of the Toronto Hospital. . | 337,912 00 |
| 74. To defray the expenses of the Whitby Hospital. . . | 420,369 00 |
| 75. To defray the expenses of the Woodstock Hospital | 88,531 00 |
| 76. To defray the expenses of the Guelph Reformatory | 300,010 00 |
| 77. To defray the expenses of the Guelph Reformatory Industries. | 200,600 00 |
| 78. To defray the expenses of the Mercer Reformatory, Toronto. | 79,925 00 |
| 79. To defray the expenses of the Mercer Reforma- tory Industries, Toronto. | 10,000 00 |
| 80. To defray the expenses of the Burwash Industrial Farm. | 240,800 00 |
| 81. To defray the expenses of the Fort William In- dustrial Farm. | 30,820 00 |
| 82. To defray the expenses of the Toronto Reception Hospital. | 50,000 00 |
| 83. To defray the expenses of the Miscellaneous Public Institutions. | 60,300 00 |
| 84. To defray the expenses of the Agriculture Depart- ment—Civil Government. | 126,925 00 |
| 85. To defray the expenses of the Agricultural and Horticultural Societies. | 209,750 00 |
| 86. To defray the expenses of the Live Stock Branch. | 132,850 00 |

| | |
|---|-------------|
| 87. To defray the expenses of the Institutes..... | \$57,800 00 |
| 88. To defray the expenses of the Dairy Branch..... | 205,900 00 |
| 89. To defray the expenses of the Fruit Branch..... | 83,950 00 |
| 90. To defray the expenses of the Agricultural Re- presentatives Branch..... | 355,500 00 |
| 91. To defray the expenses of the Kemptville Agricul- tural School..... | 64,000 00 |
| 92. To defray the expenses of the Ontario Veterinary College..... | 37,260 00 |
| 93. To defray the expenses of the Western Ontario Experimental Farm, Ridgetown..... | 23,000 00 |
| 94. To defray the expenses of the Miscellaneous Services..... | 172,700 00 |
| 95. To defray the expenses of the Ontario Agricultural College..... | 348,900 00 |
| 96. To defray the expenses of the Macdonald Institute and Hall..... | 57,822 00 |
| 97. To defray the expenses of the Forestry..... | 1,000 00 |
| 98. To defray the expenses of the Animal Husbandry, Farm and Experimental Feeding Department.... | 38,260 00 |
| 99. To defray the expenses of the Field Experiments.. | 24,710 00 |
| 100. To defray the expenses of the Experimental Dairy Department..... | 14,900 00 |
| 101. To defray the expenses of the Dairy School..... | 9,350 00 |
| 102. To defray the expenses of the Poultry Department | 31,483 00 |
| 103. To defray the expenses of the Horticultural Department..... | 31,950 00 |
| 104. To defray the expenses of the Apiculture Depart- ment..... | 11,050 00 |
| 105. To defray the expenses of the Bacteriology..... | 4,700 00 |
| 106. To defray the expenses of the Botany..... | 4,670 00 |

| | |
|---|-------------|
| 107. To defray the expenses of the Chemistry..... | \$17,920 00 |
| 108. To defray the expenses of the Entomology..... | 5,150 00 |
| 109. To defray the expenses of the English..... | 1,340 00 |
| 110. To defray the expenses of the Manual Training.. | 3,550 00 |
| 111. To defray the expenses of the Physics..... | 19,020 00 |
| 112. To defray the expenses of the Farm Economics.. | 22,000 00 |
| 114. To defray the expenses of the Miscellaneous..... | 245,000 00 |

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

Ordered, That the Report be received To-morrow.

Resolved, That the Committee have leave to sit again To-morrow.

The House than adjourned at 11.10 p.m.

Wednesday, April 2nd, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Speaker communicated to the House:—

The Report of the Librarian on the state of the Library. (*Sessional Papers, No. 49.*)

Mr. Currie, from the Standing Committee on Printing, presented their Report, which was read as follows:—

The following members of the Committee were present:—Hon. Mr. Biggs, Hon. Mr. Carr, Messrs. Currie, Gray, MacBride, Stedman, Proulx, Lewis, Irvine, Wigle, Freeborn.

On motion of Mr. Gray, seconded by Mr. Proulx, J. A. Currie was elected Chairman and W. E. Elliott as secretary.

The King's Printer was authorized to purchase the following annuals for distribution to the members:—

Canadian Parliamentary Guide, by E. J. Chambers.

Heaton's Annual and the Canadian Almanac.

Mr. Hele, General Secretary to the Prime Minister, read the following memorandum:—

"The Prime Minister is particularly desirous of reducing the expenditure on printing. For your information I might say that in 1919 the cost of printing was \$131,000; 1920, \$145,000; 1921, \$140,000; 1922, \$154,000; 1923, \$231,000. We published in 1923 a total of 294,330 copies of various reports costing \$231,794. Comparing this with the Dominion Government for the same year they published 155,035 reports at a cost of \$179,270.

"A considerable saving could be made by reducing the detailed information contained in many of the departmental reports. It should be the endeavour of the Committee to keep down the number of pages in each report, as well as the number of copies. There is a great deal of space taken up with wage statements and charts that is of no interest to the public. The information is available in any of the departments at all times, and any person interested can secure it without any trouble.

"We are faced to-day with the same situation that exists in Ottawa, namely, that the officials of the various departments are desirous of publishing separate reports for their respective branches. These reports should be issued by and to the credit of the responsible ministers, and in nine cases out of ten a great deal of money could be saved by having the branch reports included in the annual reports of the various ministers.

"The increase in expenditure on account of printing in Ontario rests with the Printing Committee. For your information, I would say that in Ottawa during the last five years they effected a saving of \$797,000, and in Ontario during the same period we increased our expenditure \$100,794."

The Committee decided to bring in a resolution and recommendations in line with the suggestion contained in the memorandum from the Prime Minister at its next session.

A resolution was moved by Mr. Gray and seconded by Mr. MacBride, and carried,

That the House of Assembly place the control of all the printing, not only for the House but for the Departments, under the control of this Committee, in order that action may better be taken on the Prime Minister's memorandum.

It was moved by Mr. Stedman, seconded by Mr. Gray, and carried,

That the King's Printer be instructed to obtain a list of all persons to whom publications are distributed by the Post Office for the various departments, and that in order to ascertain the number of such publications actually required, that a card be enclosed for reply in order to ascertain if the parties receiving such literature wished them continued to be sent to them.

The Committee also considered the question of making a nominal charge for such publications, and decided that such was advisable, and so report.

The Committee, after discussing the numerous and highly expensive kinds and qualities of paper used in the various Government publications, decided to standardize the quality of the paper to be used, as is the rule at Ottawa and Washington, and required that the King's Printer be requested to submit quotations on a paper of weight and quality similar to those used by the aforesaid Governments; and that this standard come into effect after all present orders for paper by the departments are exhausted.

Resolved, That this House doth concur in the foregoing Report.

The following Bills were severally read the third time and passed:—

Bill (No. 62), To amend the Ontario Public Superannuation Act.

Bill (No. 15), Respecting the Township of Stamford.

Bill (No. 27), Respecting the Town of Dundas.

Bill (No. 56), Respecting the Town of Pembroke.

Bill (No. 150), To amend the Local Improvement Act.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 44), Respecting the Royal Ottawa Sanatorium.

Bill (No. 57), Respecting the City of Windsor.

Bill (No. 48), Respecting the City of London.

Bill (No. 58), Respecting the City of St. Catharines.

Bill (No. 103), To incorporate Ridley College.

Bill (No. 34), To incorporate the Village of Windermere.

Bill (No. 174), Respecting the Midland-Simcoe Railway Company.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

On motion of Mr. Lethbridge, seconded by Mr. Heenan,

Ordered, That there be laid before this House, a Return of copies of all correspondence relative to a provincial loan or loans placed during the fiscal year ending 31st of October, 1919, with or through the Home Bank of Canada or any officer thereof.

The House resolved itself into a Committee to consider Bill (No. 114), To amend the Public Health Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The Order of the Day for the second reading of Bill (No. 96), Respecting the Township of Rochester, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The following Bills were severally read the second time:—

Bill (No. 25), Respecting the Ottawa Electric Railway Company.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 81), To amend the Consolidated Essex Border Utilities Act.

Referred to a Committee of the Whole House To-morrow.

The House, according to Order, again resolved itself into the Committee of Supply.

And, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had made some progress, also, That the Committee had directed him to ask for leave to sit again.

Resolved, That the Committee have leave to sit again To-morrow.

The House then adjourned at 5.40 p.m.

Thursday, April 3rd, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. McKeown, from the Standing Committee on Municipal Law, presented their Fourth Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Bills and beg to report the same without amendment:—

Bill (No. 137), An Act to amend the Municipal Franchise Act, 1922.

Bill (No. 201), An Act to amend the Community Halls Act, 1920.

Your Committee have carefully considered the following Bill and beg to report the same with certain amendments:—

Bill (No. 79), An Act to repeal the Municipal Tax Exemption Act, 1920.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Eighth Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 9), An Act respecting the Town of North Bay.

Bill (No. 13), An Act respecting the Town of Sioux Lookout.

Bill (No. 20), An Act respecting the Village of Point Edward.

Bill (No. 23), An Act respecting the City of Kingston.

Your Committee beg to report the following Bill without amendment:—

Bill (No. 49), An Act respecting the Town of Mount Forest.

Your Committee recommend that, notwithstanding Rule 51 of Your Honourable House, the time for receiving Reports of Committees on Private Bills be extended to and inclusive of Tuesday, the 15th day of April.

Ordered, That the time for receiving Reports from Committees on Private Bills be further extended to and inclusive of Tuesday, the 15th day of April, instant.

The following Bills were severally read the second time:—

Bill (No. 202), Respecting the Culling and Measurement of Timber cut upon Public Lands.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 211), Respecting Street Railway Fares under Special Acts.

Referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee to consider Bill (No. 187), To amend the Public Utilities Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 188), To amend the Local Improvement Act, and, after some time spent therein, Mr.

Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 190), To amend the Power Commission Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had made some progress, and directed him to ask for leave to sit again.

Resolved, That the Committee have leave to sit again To-morrow.

The House resolved itself into a Committee to consider Bill (No. 192), Respecting the Hydro-Electric Railway Act, 1919, and the Contract set out in Schedule "A" of said Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House, according to Order, again resolved itself into the Committee of Supply.

(In the Committee.)

Resolved, That there be granted to His Majesty, for the services of 1925, the following sums:—

| | |
|--|--------------|
| 113. To defray the expenses of the Colonization and Immigration..... | \$198,300 00 |
|--|--------------|

Mr. Speaker resumed the Chair; and Mr. Oakley reported, That the Committee had come to several Resolutions.

Ordered, That the Report be received forthwith.

Mr. Rankin then reported the following Resolutions from the Committee of Supply:—

117. *Resolved*, That a sum not exceeding Ninety-six thousand, one hundred and sixty-seven dollars and fifty-nine cents be granted to His Majesty to defray the expenses of Civil Government, for the year ending 31st October, 1924.

118. *Resolved*, That a sum not exceeding Twenty-three thousand, five hundred and ninety dollars be granted to His Majesty to defray the expenses of Legislation, for the year ending 31st October, 1924.

119. *Resolved*, That a sum not exceeding Two hundred dollars be granted to His Majesty to defray the expenses of (Administration of Justice) Supreme Court of Ontario, for the year ending 31st October, 1924.

120. *Resolved*, That a sum not exceeding Nineteen thousand, eight hundred and sixty dollars and twenty cents be granted to His Majesty to defray the expenses of Sundry Civil and Criminal Justice, for the year ending 31st October, 1924.

121. *Resolved*, That a sum not exceeding Four thousand, one hundred and ninety-three dollars and forty-nine cents be granted to His Majesty to defray the expenses of Administration of Justice in Districts, for the year ending 31st October, 1924.

122. *Resolved*, That a sum not exceeding Two hundred and twenty-two thousand, two hundred and fifty dollars be granted to His Majesty to defray the expenses of (Education) Public and Separate School Education, for the year ending 31st October, 1924.

123. *Resolved*, That a sum not exceeding Sixteen thousand, eight hundred dollars be granted to His Majesty to defray the expenses of Normal and Model Schools, Toronto, for the year ending 31st October, 1924.

124. *Resolved*, That a sum not exceeding Four thousand, three hundred dollars be granted to His Majesty to defray the expenses of Normal and Model Schools, Ottawa, for the year ending 31st October, 1924.

125. *Resolved*, That a sum not exceeding Five thousand, five hundred dollars be granted to His Majesty to defray the expenses of Normal School, London, for the year ending 31st October, 1924.

126. *Resolved*, That a sum not exceeding Three thousand, four hundred dollars be granted to His Majesty to defray the expenses of Normal School, Hamilton, for the year ending 31st October, 1924.

127. *Resolved*, That a sum not exceeding Six hundred dollars be granted to His Majesty to defray the expenses of Normal School, Peterborough, for the year ending 31st October, 1924.

128. *Resolved*, That a sum not exceeding Fifty dollars be granted to His Majesty to defray the expenses of Normal School, Stratford, for the year ending 31st October, 1924.

129. *Resolved*, That a sum not exceeding Eighteen thousand, five hundred dollars be granted to His Majesty to defray the expenses of Normal School, North Bay, for the year ending 31st October, 1924.

130. *Resolved*, That a sum not exceeding Eleven thousand, four hundred dollars be granted to His Majesty to defray the expenses of English-French Training School, Sturgeon Falls, for the year ending 31st October, 1924.

131. *Resolved*, That a sum not exceeding Four thousand, one hundred dollars be granted to His Majesty to defray the expenses of English-French Training School, Sandwich, for the year ending 31st October, 1924.

132. *Resolved*, That a sum not exceeding Fifty-three thousand, four hundred and fifty dollars be granted to His Majesty to defray the expenses of High Schools and Collegiate Institutes, for the year ending 31st October, 1924.

133. *Resolved*, That a sum not exceeding One thousand, five hundred dollars be granted to His Majesty to defray the expenses of Departmental Museum, for the year ending 31st October, 1924.

134. *Resolved*, That a sum not exceeding dollars be granted to His Majesty to defray the expenses of Public Libraries, Art Schools, Historical, Literary and Scientific Societies, for the year ending 31st October, 1924.

135. *Resolved*, That a sum not exceeding Five thousand dollars be granted to His Majesty to defray the expenses of Technical Education, for the year ending 31st October, 1924.

136. *Resolved*, That a sum not exceeding One million, two hundred and five thousand dollars be granted to His Majesty to defray the expenses of Provincial and other Universities for the year ending 31st October, 1924.

137. *Resolved*, That a sum not exceeding Eight thousand, three hundred dollars be granted to His Majesty to defray the expenses of The Northern Academy, Monteith, for the year ending 31st October, 1924.

138. *Resolved*, That a sum not exceeding Thirty-six thousand dollars be granted to His Majesty to defray the expenses of Miscellaneous (Education), for the year ending 31st October, 1924.

139. *Resolved*, That a sum not exceeding Seventy thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Brockville, for the year ending 31st October, 1924.

140. *Resolved*, That a sum not exceeding Forty-one thousand, five hundred dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Cobourg, for the year ending 31st October, 1924.

141. *Resolved*, That a sum not exceeding Forty thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Hamilton, for the year ending 31st October, 1924.

142. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Kingston, for the year ending 31st October, 1924.

143. *Resolved*, That a sum not exceeding Twenty-five thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, London, for the year ending 31st October, 1924.

144. *Resolved*, That a sum not exceeding Thirty-two thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Mimico, for the year ending 31st October, 1924.

145. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Orillia, for the year ending 31st October, 1924.

146. *Resolved*, That a sum not exceeding Thirty-seven thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Penetanguishene, for the year ending 31st October, 1924.

147. *Resolved*, That a sum not exceeding One hundred and forty-five thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Toronto, for the year ending 31st October, 1924.

148. *Resolved*, That a sum not exceeding Forty-five thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Whitby, for the year ending 31st October, 1924.

149. *Resolved*, That a sum not exceeding Forty-eight thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Woodstock, for the year ending 31st October, 1924.

150. *Resolved*, That a sum not exceeding Thirty-five thousand dollars be granted to His Majesty to defray the expenses of Ontario Reformatory, Guelph, for the year ending 31st October, 1924.

151. *Resolved*, That a sum not exceeding Eight thousand dollars be granted to His Majesty to defray the expenses of Ontario Reformatory Industries, for the year ending 31st October, 1924.

152. *Resolved*, That a sum not exceeding Twelve thousand, five hundred dollars be granted to His Majesty to defray the expenses of Mercer Reformatory, Toronto, for the year ending 31st October, 1924.

153. *Resolved*, That a sum not exceeding Thirty-five thousand dollars be granted to His Majesty to defray the expenses of Industrial Farm, Burwash, for the year ending 31st October, 1924.

154. *Resolved*, That a sum not exceeding Five thousand dollars be granted to His Majesty to defray the expenses of Industrial Farm, Fort William, for the year ending 31st October, 1924.

155. *Resolved*, That a sum not exceeding Four thousand, eight hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous (Public Institutions), for the year ending 31st October, 1924.

156. *Resolved*, That a sum not exceeding Four thousand, three hundred dollars be granted to His Majesty to defray the expenses of Agriculture and Horticulture Societies for the year ending 31st October, 1924.

157. *Resolved*, That a sum not exceeding Seven thousand dollars be granted to His Majesty to defray the expenses of Agriculture (Live Stock Branch), for the year ending 31st October, 1924.

158. *Resolved*, That a sum not exceeding Fourteen thousand dollars be granted to His Majesty to defray the expenses of Agriculture (Institutes), for the year ending 31st October, 1924.

159. *Resolved*, That a sum not exceeding Twenty thousand dollars be granted to His Majesty to defray the expenses of Dairy Branch, for the year ending 31st October, 1924.

160. *Resolved*, That a sum not exceeding One thousand dollars be granted to His Majesty to defray the expenses of Agricultural Representatives Branch for the year ending 31st October, 1924.

161. *Resolved*, That a sum not exceeding Three thousand dollars be granted to His Majesty to defray the expenses of Western Ontario Experiment Farm, Ridgeway, for the year ending 31st October, 1924.

162. *Resolved*, That a sum not exceeding Twenty-three thousand dollars be granted to His Majesty to defray the expenses of Agriculture (Miscellaneous) for the year ending 31st October, 1924.

163. *Resolved*, That a sum not exceeding Nine thousand, two hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College, for the year ending 31st October, 1924.

164. *Resolved*, That a sum not exceeding Ninety-five thousand, seven hundred and seventy-four dollars and five cents be granted to His Majesty to defray the expenses of Hospitals and Charities, for the year ending 31st October, 1924.

MAINTENANCE AND REPAIRS OF GOVERNMENT BUILDINGS.

165. *Resolved*, That a sum not exceeding Twenty-one thousand, six hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Government House, for the year ending 31st October, 1924.

166. *Resolved*, That a sum not exceeding Eighty-three thousand and seventy-five dollars be granted to His Majesty to defray the expenses of Parliament and Departmental Buildings, for the year ending 31st October, 1924.

167. *Resolved*, That a sum not exceeding Three thousand, five hundred dollars be granted to His Majesty to defray the expenses of Osgoode Hall, for the year ending 31st October, 1924.

PUBLIC BUILDINGS.

168. *Resolved*, That a sum not exceeding Two thousand, five hundred dollars be granted to His Majesty to defray the expenses of Osgoode Hall, for the year ending 31st October, 1924.

PUBLIC INSTITUTION BUILDINGS.

169. *Resolved*, That a sum not exceeding Thirty-five thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Kingston, for the year ending 31st October, 1924.

170. *Resolved*, That a sum not exceeding One thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Brockville, for the year ending 31st October, 1924.

171. *Resolved*, That a sum not exceeding One hundred and twenty-five thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Orillia, for the year ending 31st October, 1924.

172. *Resolved*, That a sum not exceeding Two hundred thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Whitby, for the year ending 31st October, 1924.

173. *Resolved*, That a sum not exceeding Four thousand dollars be granted to His Majesty to defray the expenses of Ontario Reformatory, Guelph, for the year ending 31st October, 1924.

174. *Resolved*, That a sum not exceeding Thirty-five thousand dollars be granted to His Majesty to defray the expenses of Industrial Farm, Fort William, for the year ending 31st October, 1924.

175. *Resolved*, That a sum not exceeding One hundred and twenty thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital Woodstock, for the year ending 31st October, 1924.

EDUCATIONAL BUILDINGS.

176. *Resolved*, That a sum not exceeding One thousand, two hundred dollars be granted to His Majesty to defray the expenses of Normal and Model Schools, Toronto, for the year ending 31st October, 1924.

177. *Resolved*, That a sum not exceeding Five thousand, three hundred and ten dollars be granted to His Majesty to defray the expenses of Normal and Model Schools, Ottawa, for the year ending 31st October, 1924.

178. *Resolved*, That a sum not exceeding One thousand, nine hundred and eighty dollars be granted to His Majesty to defray the expenses of Normal School, London, for the year ending 31st October, 1924.

179. *Resolved*, That a sum not exceeding Four hundred dollars be granted to His Majesty to defray the expenses of Normal School, Hamilton, for the year ending 31st October, 1924.

180. *Resolved*, That a sum not exceeding One thousand, two hundred dollars be granted to His Majesty to defray the expenses of Normal School, Peterborough, for the year ending 31st October, 1924.

181. *Resolved*, That a sum not exceeding Four hundred dollars be granted to His Majesty to defray the expenses of Normal School, Stratford, for the year ending 31st October, 1924.

182. *Resolved*, That a sum not exceeding Nine hundred dollars be granted to His Majesty to defray the expenses of Normal School, North Bay, for the year ending 31st October, 1924.

183. *Resolved*, That a sum not exceeding Three thousand, two hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario School for Deaf, Belleville, for the year ending 31st October, 1924.

184. *Resolved*, That a sum not exceeding Seven thousand, three hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario School for Blind, Brantford, for the year ending 31st October, 1924.

185. *Resolved*, That a sum not exceeding One thousand, four hundred dollars be granted to His Majesty to defray the expenses of Training School, Sandwich, for the year ending 31st October, 1924.

186. *Resolved*, That a sum not exceeding Two hundred dollars be granted to His Majesty to defray the expenses of Training School, Sturgeon Falls, for the year ending 31st October, 1924.

187. *Resolved*, That a sum not exceeding Two thousand, five hundred dollars be granted to His Majesty to defray the expenses of Northern Academy, Meaforth, for the year ending 31st October, 1924.

188. *Resolved*, That a sum not exceeding Three thousand, four hundred dollars be granted to His Majesty to defray the expenses of Continuation School, New Liskeard, for the year ending 31st October, 1924.

AGRICULTURAL BUILDINGS.

189. *Resolved*, That a sum not exceeding Seventy-two thousand dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College, Guelph, for the year ending 31st October, 1924.

190. *Resolved*, That a sum not exceeding Seventeen thousand, eight hundred and four dollars and twenty-seven cents be granted to His Majesty to defray the expenses of Western Ontario Experimental Farm, Ridgetown, for the year ending 31st October, 1924.

191. *Resolved*, That a sum not exceeding Five hundred dollars be granted to His Majesty to defray the expenses of Eastern Dairy School, Kingston, for the year ending 31st October, 1924.

192. *Resolved*, That a sum not exceeding Five hundred dollars be granted to His Majesty to defray the expenses of Ontario Veterinary College, Guelph, for the year ending 31st October, 1924.

DISTRICT BUILDINGS.

193. *Resolved*, That a sum not exceeding Eighteen thousand, one hundred and ninety dollars be granted to His Majesty to defray the expenses of Algoma, for the year ending 31st October, 1924.

194. *Resolved*, That a sum not exceeding Seventy-nine thousand, one hundred dollars be granted to His Majesty to defray the expenses of Cochrane, for the year ending 31st October, 1924.

195. *Resolved*, That a sum not exceeding Seven thousand, seven hundred dollars be granted to His Majesty to defray the expenses of Kenora, for the year ending 31st October, 1924.

196. *Resolved*, That a sum not exceeding Sixteen thousand dollars be granted to His Majesty to defray the expenses of Manitoulin, for the year ending 31st October, 1924.

197. *Resolved*, That a sum not exceeding Six hundred dollars be granted to His Majesty to defray the expenses of Muskoka, for the year ending 31st October, 1924.

198. *Resolved*, That a sum not exceeding Twenty-eight thousand two hundred dollars be granted to His Majesty to defray the expenses of Nipissing, for the year ending 31st October, 1924.

199. *Resolved*, That a sum not exceeding One thousand two hundred dollars be granted to His Majesty to defray the expenses of Parry Sound, for the year ending 31st October, 1924.

200. *Resolved*, That a sum not exceeding Three thousand dollars be granted to His Majesty to defray the expenses of Rainy River for the year ending 31st October, 1924.

201. *Resolved*, That a sum not exceeding Thirty-eight thousand and fifty dollars be granted to His Majesty to defray the expenses of Sudbury, for the year ending 31st October, 1924.

202. *Resolved*, That a sum not exceeding One hundred and fifty-three thousand, three hundred and fifty dollars be granted to His Majesty to defray the expenses of Temiskaming, for the year ending 31st October, 1924.

203. *Resolved*, That a sum not exceeding Two Hundred and eighty-eight thousand, three hundred dollars be granted to His Majesty to defray the expenses of Thunder Bay, for the year ending 31st October, 1924.

PUBLIC BUILDINGS.

204. *Resolved*, That a sum not exceeding Six thousand dollars be granted to His Majesty to defray the expenses of Miscellaneous, for the year ending 31st October, 1924.

205. *Resolved*, That a sum not exceeding Five hundred and thirty-four thousand, nine hundred dollars be granted to His Majesty to defray the expense of Public Works, for the year ending 31st October, 1924.

206. *Resolved*, That a sum not exceeding Sixty-eight thousand, one hundred dollars be granted to His Majesty to defray the expenses of Department of Labour, for the year ending 31st October, 1924.

207. *Resolved*, That a sum not exceeding Two hundred and seventy-five thousand dollars be granted to His Majesty to defray the expenses of Department of Public Highways, for the year ending 31st October, 1924.

208. *Resolved*, That a sum not exceeding Thirty-nine thousand, seven hundred and one dollars and fifteen cents be granted to His Majesty to defray the expenses of Game and Fisheries, for the year ending 31st October, 1924.

209. *Resolved*, That a sum not exceeding Five thousand dollars be granted to His Majesty to defray the expenses of Miscellaneous (Attorney-General's Department), for the year ending 31st October, 1924.

210. *Resolved*, That a sum not exceeding Thirty-seven thousand, four hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous (Treasury Department), for the year ending 31st October, 1924.

211. *Resolved*, That a sum not exceeding Five hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous (Provincial Secretary's Department), for the year ending 31st October, 1924.

212. *Resolved*, That a sum not exceeding One hundred and two thousand six hundred and thirty-five dollars and forty-eight cents be granted to His Majesty to defray the expenses of Lands and Forests, for the year ending 31st October, 1924.

213. *Resolved*, That a sum not exceeding Fifty-four thousand, nine hundred and seventy-three dollars and forty-five cents be granted to His Majesty to defray the expenses of Department of Mines, for the year ending 31st October, 1924.

214. *Resolved*, That a sum not exceeding One hundred and forty-five thousand, two hundred and eighty-six dollars and fourteen cents be granted to His Majesty to defray the expenses of Refund Account, for the year ending 31st October, 1924.

215. *Resolved*, That a sum not exceeding Forty-two thousand, five hundred and seventy-two dollars and sixty-five cents be granted to His Majesty to defray the expenses of Miscellaneous, for the year ending 31st October, 1924.

216. *Resolved*, That a sum not exceeding Nine million, nine hundred and even thousand and twelve dollars and eighty cents be granted to His Majesty to defray the expenses of Hydro-Electric Power Commission of Ontario, for the year ending 31st October, 1924.

217. *Resolved*, That a sum not exceeding Two million, twenty thousand and sixty-two dollars and eighteen cents be granted to His Majesty to defray the expenses of Temiskaming and Northern Ontario Railway Commission, for the year ending 31st October, 1924.

The several Resolutions, having been again read, were concurred in.

Mr. Jamieson (Grey) reported the following further Resolutions from the Committee of Supply:—

218. *Resolved*, That a sum not exceeding Twenty-five thousand five hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government for the year ending 31st October, 1924.

219. *Resolved*, That a sum not exceeding Ten thousand dollars be granted to His Majesty to defray the expenses of Legislation for the year ending 31st October, 1924.

220. *Resolved*, That a sum not exceeding Seven thousand dollars be granted to His Majesty to defray the expenses of the Administration of Justice for the year ending 31st October, 1924.

221. *Resolved*, That a sum not exceeding Forty-one thousand five hundred dollars be granted to His Majesty to defray the expenses of Education for the year ending 31st October, 1924.

222. *Resolved*, That a sum not exceeding Two hundred and fifty thousand, seven hundred dollars be granted to His Majesty to defray the expenses of Agriculture for the year ending 31st October, 1924.

223. *Resolved*, That a sum not exceeding Six thousand, four hundred and sixteen dollars and ninety-three cents be granted to His Majesty to defray the expenses of Colonization and Emigration, for the year ending 31st October, 1924.

224. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Hospitals and Charities, for the year ending 31st October, 1924.

225. *Resolved*, That a sum not exceeding Sixty-one thousand, three hundred dollars be granted to His Majesty to defray the expenses of Public Buildings for the year ending 31st October, 1924.

226. *Resolved*, That a sum not exceeding Forty-seven thousand, eight hundred and forty-seven dollars and thirty cents be granted to His Majesty to defray the expenses of Public Works, for the year ending 31st October, 1924.

227. *Resolved*, That a sum not exceeding Twenty thousand dollars be granted to His Majesty to defray the expenses of Department of Labour, for the year ending 31st October, 1924.

228. *Resolved*, That a sum not exceeding Twelve thousand, five hundred dollars be granted to His Majesty to defray the expenses of Game and Fisheries for the year ending 31st October, 1924.

229. *Resolved*, That a sum not exceeding Forty-five thousand dollars be granted to His Majesty to defray the expenses of Attorney General's Department, Miscellaneous, for the year ending 31st October, 1924.

230. *Resolved*, That a sum not exceeding Thirteen thousand dollars be granted to His Majesty to defray the expenses of Treasury Department, Miscellaneous, for the year ending 31st October, 1924.

231. *Resolved*, That a sum not exceeding Six hundred and ninety-eight dollars and seventy-five cents be granted to His Majesty to defray the expenses of Lands and Forests, for the year ending 31st October, 1924.

232. *Resolved*, That a sum not exceeding Ten thousand dollars be granted to His Majesty to defray the expenses of Department of Mines, for the year ending 31st October, 1924.

233. *Resolved*, That a sum not exceeding Thirty-nine thousand dollars be granted to His Majesty to defray the expenses of Refund Account, for the year ending 31st October, 1924.

234. *Resolved*, That a sum not exceeding One million, eleven thousand nine hundred and forty-seven dollars and sixty-five cents be granted to His Majesty to defray the expenses of Miscellaneous, for the year ending 31st October, 1924.

The several Resolutions, having been again read, were concurred in.

Mr. Oakley reported the following Resolutions from the Committee Supply:—

1. *Resolved*, That a sum not exceeding Five Thousand, Four Hundred and Fifty dollars be granted to His Majesty to defray the expenses of Lieutenant Governor's Office, for the year ending 31st October, 1925.

2. *Resolved*, That a sum not exceeding Thirty-six thousand, eight hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Executive Council Office, for the year ending 31st October, 1925.

3. *Resolved*, That a sum not exceeding Twenty-two million, ninety thousand dollars be granted to His Majesty to defray the expenses of Hydro-Electric Power Commission of Ontario, for the year ending 31st October, 1925.

4. *Resolved*, That a sum not exceeding One million dollars be granted to His Majesty to defray the expenses of Bonuses to Rural Primary Transmission Commissions, for the year ending 31st October, 1925.

5. *Resolved*, That a sum not exceeding One million dollars be granted to His Majesty to defray the expenses of Temiskaming and Northern Ontario Railway Commission, for the year ending 31st October, 1925.

6. *Resolved*, That a sum not exceeding Three hundred and twenty-two thousand, two hundred dollars be granted to His Majesty to defray the expenses of the Department of Legislation, for the year ending 31st October, 1925.

7. *Resolved*, That a sum not exceeding Two Hundred and two thousand, five hundred and fifty dollars be granted to His Majesty to defray the expenses of the Attorney-General's Department, Civil Government, for the year ending 31st October, 1925.

8. *Resolved*, That a sum not exceeding One hundred and five thousand, five hundred dollars be granted to His Majesty to defray the expenses of the Court of Appeal of Ontario, for the year ending 31st October, 1925.

9. *Resolved*, That a sum not exceeding One million, four hundred and three thousand, seven hundred and eighty-five dollars be granted to His Majesty to defray the expenses of Sundry Civil and Criminal Justice, for the year ending 31st October, 1925.

10. *Resolved*, That a sum not exceeding Two hundred and fifty-four thousand, five hundred and eighty dollars be granted to His Majesty to defray the expenses of the Administration of Justice in Districts, for the year ending 31st October, 1925.

11. *Resolved*, That a sum not exceeding Ninety thousand, five hundred and fifty dollars be granted to His Majesty to defray the expenses of Miscellaneous Services, Attorney-General's Department, for the year ending 31st October, 1925.

12. *Resolved*, That a sum not exceeding Eighty-four thousand, seven hundred and fifty dollars be granted to His Majesty to defray the expenses of the Department of Civil Government, Education Department, for the year ending 31st October, 1925.

13. *Resolved*, That a sum not exceeding Four million, five hundred and fifty-six thousand, four hundred dollars be granted to His Majesty to defray the expenses of Public and Separate School Education, for the year ending 31st October, 1925.

14. *Resolved*, That a sum not exceeding One hundred and fifty-two thousand, five hundred and ninety-five dollars be granted to His Majesty to defray the expenses of Toronto Normal and Model Schools, for the year ending 31st October, 1925.

15. *Resolved*, That a sum not exceeding Ninety-six thousand, seven hundred and fifty dollars be granted to His Majesty to defray the expenses of Ottawa Normal and Model Schools, for the year ending 31st October, 1925.

16. *Resolved*, That sum not exceeding Fifty-two thousand and fifty dollars be granted to His Majesty to defray the expenses of London Normal School, for the year ending 31st October, 1925.

17. *Resolved*, That a sum not exceeding Forty-two thousand, eight hundred and twenty dollars be granted to His Majesty to defray the expenses of Hamilton Normal School, for the year ending 31st October, 1925.

18. *Resolved*, That a sum not exceeding Forty thousand, one hundred dollars be granted to His Majesty to defray the expenses of Peterborough Normal School, for the year ending 31st October, 1925.

19. *Resolved*, That a sum not exceeding Thirty-nine thousand, five hundred dollars be granted to His Majesty to defray the expenses of Stratford Normal School, for the year ending 31st October, 1925.

20. *Resolved*, That a sum not exceeding One hundred and nine thousand, two hundred dollars be granted to His Majesty to defray the expenses of North Bay Normal School, for the year ending 31st October, 1925.

21. *Resolved*, That a sum not exceeding One hundred and fourteen thousand, nine hundred and eighty dollars be granted to His Majesty to defray the expenses of English-French Professional Training Schools, for the year ending 31st October, 1925.

22. *Resolved*, That a sum not exceeding Three hundred and twenty-nine thousand, five hundred and fifty dollars be granted to His Majesty to defray the expenses of High Schools and Collegiate Institutes, for the year ending 31st October, 1925.

23. *Resolved*, That a sum not exceeding Thirteen thousand, three hundred dollars be granted to His Majesty to defray the expenses of Departmental Museum, for the year ending 31st October, 1925.

24. *Resolved*, That a sum not exceeding One hundred and sixteen thousand and fifty dollars be granted to His Majesty to defray the expenses of Public Libraries, Art Schools, Historical, Literary and Scientific Societies, for the year ending 31st October, 1925.

25. *Resolved*, That a sum not exceeding Eight hundred and fifty-seven thousand, one hundred and fifty dollars be granted to His Majesty to defray the expenses of Technical Education, for the year ending 31st October, 1925.

26. *Resolved*, That a sum not exceeding Fifty-five thousand, one hundred and fifty dollars be granted to His Majesty to defray the expenses of Superannuated Teachers, for the year ending 31st October, 1925.

27. *Resolved*, That a sum not exceeding One hundred and ninety-nine thousand, five hundred and thirty-five dollars be granted to His Majesty to defray the expenses of Provincial and other Universities, for the year ending 31st October, 1925.

28. *Resolved*, That a sum not exceeding One hundred and thirty-eight thousand, four hundred and seventy dollars be granted to His Majesty to defray the expenses of Belleville School for the Deaf, for the year ending 31st October, 1925.

29. *Resolved*, That a sum not exceeding Ninety-nine thousand, four hundred and fifty-nine dollars be granted to His Majesty to defray the expenses of Grantford School for the Blind, for the year ending 31st October, 1925.

30. *Resolved*, That a sum not exceeding Eighty-eight thousand, four hundred and forty dollars be granted to His Majesty to defray the expenses of Monteith Northern Academy, for the year ending 31st October, 1925.

31. *Resolved*, That a sum not exceeding Thirty-seven thousand, four hundred dollars be granted to His Majesty to defray the expenses of miscellaneous, Education Department, for the year ending 31st October, 1925.

32. *Resolved*, That a sum not exceeding Two hundred and forty thousand, four hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government, Lands and Forests Department, for the year ending 31st October, 1925.

33. *Resolved*, That a sum not exceeding One million, nine hundred and nineteen thousand, nine hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous Services, for the year ending 31st October, 1925.

34. *Resolved*, That a sum not exceeding Eight hundred and fifty-seven thousand, three hundred dollars be granted to His Majesty to defray the expenses of Colonization Roads, for the year ending 31st October, 1925.

35. *Resolved*, That a sum not exceeding One hundred and sixty-one thousand, seven hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government, Mines Department, for the year ending 31st October, 1925.

36. *Resolved*, That a sum not exceeding One hundred and sixty-eight thousand, five hundred and fifty dollars be granted to His Majesty to defray the expenses of Miscellaneous, Mines, for the year ending 31st October, 1925.

37. *Resolved*, That a sum not exceeding Forty-seven thousand, seven hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Civil Government, Game and Fisheries Department, for the year ending 31st October, 1925.

38. *Resolved*, That a sum not exceeding Three hundred and eighteen thousand, six hundred dollars be granted to His Majesty to defray the expenses of Game and Fisheries, Mines Department, for the year ending 31st October, 1925.

39. *Resolved*, That a sum not exceeding Eighty-four thousand, one hundred and fifty dollars be granted to His Majesty to defray the expenses of Civil Government, Public Works Department, for the year ending 31st October, 1925.

40. *Resolved*, That a sum not exceeding Forty-eight thousand, eight hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Maintenance and Repairs of Government Buildings, Government House, for the year ending 31st October, 1925.

41. *Resolved*, That a sum not exceeding Four hundred and thirty-seven thousand, seven hundred and thirty-six dollars and thirty-five cents be granted to His Majesty to defray the expenses of Parliament and Departmental Buildings for the year ending 31st October, 1925.

42. *Resolved*, That a sum not exceeding Sixty-four thousand, eight hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Osgoode Hall, for the year ending 31st October, 1925.

43. *Resolved*, That a sum not exceeding Twenty thousand, one hundred and ten dollars be granted to His Majesty to defray the expenses of Educational Buildings, for the year ending 31st October, 1925.

44. *Resolved*, That a sum not exceeding Fourteen thousand dollars be granted to His Majesty to defray the expenses of Agricultural Buildings, for the year ending 31st October, 1925.

45. *Resolved*, That a sum not exceeding Seventeen thousand, five hundred dollars be granted to His Majesty to defray the expenses of District Buildings for the year ending 31st October, 1925.

46. *Resolved*, That a sum not exceeding Eighty-five thousand, five hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous, for the year ending 31st October, 1925.

47. *Resolved*, That a sum not exceeding One hundred and sixty-one thousand, five hundred dollars be granted to His Majesty to defray the expenses of Public Works and Bridges, for the year ending 31st October, 1925.

48. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Parliament and Departmental Buildings, for the year ending 31st October, 1925.

49. *Resolved*, That a sum not exceeding Three hundred and seven thousand dollars be granted to His Majesty to defray the expenses of Public Institutions for the year ending 31st October, 1925.

50. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Educational (Public Buildings), for the year ending 31st October, 1925.

51. *Resolved*, That a sum not exceeding One hundred and forty thousand five hundred dollars be granted to His Majesty to defray the expenses of Districts (Public Buildings), for the year ending 31st October, 1925.

52. *Resolved*, That a sum not exceeding One hundred and sixty-five thousand dollars be granted to His Majesty to defray the expenses of Miscellaneous Public Works Department, for the year ending 31st October, 1925.

53. *Resolved*, That a sum not exceeding Two hundred and sixty-four thousand, three hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government, Highways Department, for the year ending 31st October, 1925.

54. *Resolved*, That a sum not exceeding One hundred and sixty thousand, three hundred and fifty dollars be granted to His Majesty to defray the expenses of Miscellaneous Services, Highways Department, for the year ending 31st October, 1925.

55. *Resolved*, That a sum not exceeding Two hundred and twenty-two thousand, six hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government, Health Department, for the year ending 31st October, 1925.

56. *Resolved*, That a sum not exceeding Four hundred and ten thousand dollars be granted to His Majesty to defray the expenses of Miscellaneous Services, Health Department, for the year ending 31st October, 1925.

57. *Resolved*, That a sum not exceeding One hundred and eighty-one thousand, six hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government, Labour Department, for the year ending 31st October, 1925.

58. *Resolved*, That a sum not exceeding Two million, four thousand, even hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Miscellaneous Services, Labour Department, for the year ending 31st October, 1925.

59. *Resolved*, That a sum not exceeding Two hundred and twenty-seven thousand and seventy-five dollars be granted to His Majesty to defray the expenses of Civil Government, Provincial Treasurer's Department, for the year ending 31st October, 1925.

60. *Resolved*, That a sum not exceeding Five hundred and twenty-eight thousand, one hundred and ninety-nine dollars be granted to His Majesty to defray the expenses of Miscellaneous Services, for the year ending 31st October, 1925.

61. *Resolved*, That a sum not exceeding Sixty-one thousand, three hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Provincial Auditor's Office, for the year ending 31st October, 1925.

62. *Resolved*, That a sum not exceeding Two hundred and sixty-eight thousand, four hundred dollars be granted to His Majesty to defray the expenses of Civil Government, Provincial Secretary's Department, for the year ending 31st October, 1925.

63. *Resolved*, That a sum not exceeding Four thousand, one hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous Services, for the year ending 31st October, 1925.

64. *Resolved*, That a sum not exceeding One million, three hundred and seven thousand, one hundred and fifty dollars be granted to His Majesty to defray the expenses of Hospitals and Charities, for the year ending 31st October, 1925.
65. *Resolved*, That a sum not exceeding Three hundred and twenty-five thousand, five hundred and twenty-two dollars be granted to His Majesty to defray the expenses of Brockville Hospital, for the year ending 31st October, 1925.
66. *Resolved*, That a sum not exceeding One hundred and thirty-two thousand and fifty dollars be granted to His Majesty to defray the expenses of Cobourg Hospital, for the year ending 31st October, 1925.
67. *Resolved*, That a sum not exceeding Three hundred and ninety thousand, four hundred and forty-five dollars be granted to His Majesty to defray the expenses of Hamilton Hospital, for the year ending 31st October, 1925.
68. *Resolved*, That a sum not exceeding Two hundred and fifty-two thousand, six hundred and eighty dollars be granted to His Majesty to defray the expenses of Kingston Hospital, for the year ending 31st October, 1925.
69. *Resolved*, That a sum not exceeding Four hundred and twenty-three thousand, nine hundred and thirty dollars be granted to His Majesty to defray the expenses of London Hospital, for the year ending 31st October, 1925.
70. *Resolved*, That a sum not exceeding Two hundred and forty-nine thousand, six hundred and eighty dollars be granted to His Majesty to defray the expenses of Mimico Hospital, for the year ending 31st October, 1925.
71. *Resolved*, That a sum not exceeding Two hundred and seventy-three thousand and two dollars be granted to His Majesty to defray the expenses of Orillia Hospital, for the year ending 31st October, 1925.
72. *Resolved*, That a sum not exceeding One hundred and twenty-seven thousand, two hundred and forty dollars be granted to His Majesty to defray the expenses of Penetanguishene Hospital, for the year ending 31st October, 1925.
73. *Resolved*, That a sum not exceeding Three hundred and thirty-seven thousand, nine hundred and twelve dollars be granted to His Majesty to defray the expenses of Toronto Hospital, for the year ending 31st October, 1925.
74. *Resolved*, That a sum not exceeding Four hundred and twenty thousand three hundred and sixty-nine dollars be granted to His Majesty to defray the expenses of Whitby Hospital, for the year ending 31st October, 1925.
75. *Resolved*, That a sum not exceeding Eighty-eight thousand, five hundred and thirty-one dollars be granted to His Majesty to defray the expenses of Woodstock Hospital, for the year ending 31st October, 1925.
76. *Resolved*, That a sum not exceeding Three hundred thousand and ten dollars be granted to His Majesty to defray the expenses of Guelph Reformatory for the year ending 31st October, 1925.

77. *Resolved*, That a sum not exceeding Two hundred thousand, six hundred dollars be granted to His Majesty to defray the expenses of Guelph Reformatory Industries, for the year ending 31st October, 1925.

78. *Resolved*, That a sum not exceeding Seventy-nine thousand, nine hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Mercer Reformatory, Toronto, for the year ending 31st October, 1925.

79. *Resolved*, That a sum not exceeding Ten thousand dollars be granted to His Majesty to defray the expenses of Mercer Reformatory Industries, Toronto, for the year ending 31st October, 1925.

80. *Resolved*, That a sum not exceeding Two hundred and forty thousand, eight hundred dollars be granted to His Majesty to defray the expenses of Pirwash Industrial Farm, for the year ending 31st October, 1925.

81. *Resolved*, That a sum not exceeding Thirty thousand, eight hundred and twenty dollars be granted to His Majesty to defray the expenses of Fort William Industrial Farm, for the year ending 31st October, 1925.

82. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Toronto Reception Hospital, for the year ending 31st October, 1925.

83. *Resolved*, That a sum not exceeding Sixty thousand, three hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous Public Institutions, for the year ending 31st October, 1925.

84. *Resolved*, That a sum not exceeding One hundred and twenty-six thousand, nine hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Civil Government, Agriculture Department, for the year ending 31st October, 1925.

85. *Resolved*, That a sum not exceeding Two hundred and nine thousand, seven hundred and fifty dollars be granted to His Majesty to defray the expenses of Agricultural and Horticultural Societies, for the year ending 31st October, 1925.

86. *Resolved*, That a sum not exceeding One Hundred and thirty-two thousand, eight hundred and fifty dollars be granted to His Majesty to defray the expenses of Live Stock Branch, for the year ending 31st October, 1925.

87. *Resolved*, That a sum not exceeding Fifty-seven thousand, eight hundred dollars be granted to His Majesty to defray the expenses of Institutes, for the year ending 31st October, 1925.

88. *Resolved*, That a sum not exceeding Two hundred and five thousand, one hundred dollars be granted to His Majesty to defray the expenses of Dairy Branch, for the year ending 31st October, 1925.

89. *Resolved*, That a sum not exceeding Eighty-three thousand, nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Fruit Branch, for the year ending 31st October, 1925.

90. *Resolved*, That a sum not exceeding Three hundred and fifty thousand, five hundred dollars be granted to His Majesty to defray the expenses of Agricultural Representatives Branch, for the year ending 31st October, 1925.

91. *Resolved*, That a sum not exceeding Sixty-four thousand dollars be granted to His Majesty to defray the expenses of Kemptville Agricultural School, for the year ending 31st October, 1925.

92. *Resolved*, That a sum not exceeding Thirty-seven thousand hundred and sixty dollars be granted to His Majesty to defray the expenses of Ontario Veterinary College, for the year ending 31st October, 1925.

93. *Resolved*, That a sum not exceeding Twenty-three thousand dollars be granted to His Majesty to defray the expenses of Western Ontario Experimental Farm, Ridgetown, for the year ending 31st October, 1925.

94. *Resolved*, That a sum not exceeding One hundred and seventy thousand, seven hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous Services, for the year ending 31st October, 1925.

95. *Resolved*, That a sum not exceeding Three hundred and forty thousand, nine hundred dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College, for the year ending 31st October, 1925.

96. *Resolved*, That a sum not exceeding Fifty-seven thousand, eight hundred and twenty-two dollars be granted to His Majesty to defray the expenses of Macdonald Institute and Hall, for the year ending 31st October, 1925.

97. *Resolved*, That a sum not exceeding One thousand dollars be granted to His Majesty to defray the expenses of Forestry, for the year ending 31st October, 1925.

98. *Resolved*, That a sum not exceeding Thirty-eight thousand hundred and sixty dollars be granted to His Majesty to defray the expenses of Animal Husbandry, Farm and Experimental Feeding Department, for the year ending 31st October, 1925.

99. *Resolved*, That a sum not exceeding Twenty-four thousand, five hundred and ten dollars be granted to His Majesty to defray the expenses of Field Experiments, for the year ending 31st October, 1925.

100. *Resolved*, That a sum not exceeding Fourteen thousand, nine hundred dollars be granted to His Majesty to defray the expenses of Experimental Department, for the year ending 31st October, 1925.

101. *Resolved*, That a sum not exceeding Nine thousand, three hundred and fifty dollars be granted to His Majesty to defray the expenses of Agricultural School, for the year ending 31st October, 1925.

102. *Resolved*, That a sum not exceeding Thirty-one thousand, four hundred and eighty-three dollars be granted to His Majesty to defray the expenses of Poultry Department, for the year ending 31st October, 1925.

103. *Resolved*, That a sum not exceeding Thirty-one thousand, nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Horticultural Department, for the year ending 31st October, 1925.

104. *Resolved*, That a sum not exceeding Eleven thousand and fifty dollars be granted to His Majesty to defray the expenses of Apiculture Department, for the year ending 31st October, 1925.

105. *Resolved*, That a sum not exceeding Four thousand, seven hundred dollars be granted to His Majesty to defray the expenses of Bacteriology, for the year ending 31st October, 1925.

106. *Resolved*, That a sum not exceeding Four thousand, six hundred and seventy dollars be granted to His Majesty to defray the expenses of Botany, for the year ending 31st October, 1925.

107. *Resolved*, That a sum not exceeding Seventeen thousand, nine hundred and twenty dollars be granted to His Majesty to defray the expenses of Chemistry for the year ending 31st October, 1925.

108. *Resolved*, That a sum not exceeding Five thousand, one hundred and fifty dollars be granted to His Majesty to defray the expenses of Entomology, for the year ending 31st October, 1925.

109. *Resolved*, That a sum not exceeding One thousand, three hundred and forty dollars be granted to His Majesty to defray the expenses of English, for the year ending 31st October, 1925.

110. *Resolved*, That a sum not exceeding Three thousand, five hundred and fifty dollars be granted to His Majesty to defray the expenses of Manual Training, for the year ending 31st October, 1925.

111. *Resolved*, That a sum not exceeding Nineteen thousand and twenty dollars be granted to His Majesty to defray the expenses of Physics, for the year ending 31st October, 1925.

112. *Resolved*, That a sum not exceeding Twenty-two thousand dollars be granted to His Majesty to defray the expenses of Farm Economics, for the year ending 31st October, 1925.

113. *Resolved*, That a sum not exceeding One hundred and ninety-eight thousand, three hundred dollars be granted to His Majesty to defray the expenses of Colonization and Immigration, for the year ending 31st October, 1925.

114. *Resolved*, That a sum not exceeding Two hundred and forty-five thousand dollars be granted to His Majesty to defray the expenses of Miscellaneous, for the year ending 31st October, 1925.

The several Resolutions, having been again read, were concurred in.

The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

Resolved, That there be granted out of the Consolidated Revenue Fund of this Province a sum not exceeding sixty-nine millions, nine hundred and one thousand, three hundred and fifty-nine dollars and forty-three cents to meet the Supply to that extent granted to His Majesty.

Mr. Speaker resumed the Chair; and Mr. Oakley reported, That the Committee had come to a Resolution.

Ordered, That the Report be received forthwith.

Mr. Oakley, from the Committee on Ways and Means, reported a Resolution which was read as follows:—

Resolved, That there be granted out of the Consolidated Revenue Fund of this Province a sum not exceeding sixty-nine millions, nine hundred and one thousand, three hundred and fifty-nine dollars and forty-three cents to meet the Supply to that extent granted to His Majesty.

The Resolution, having been read the second time, was agreed to.

The House resolved itself into a Committee to consider Bill (No. 111), Respecting Medical and Dental Inspection of Pupils in Public and Separate Schools, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Oakley reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 208), The Hotels Act, 1924, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Oakley reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 209), The Landlord and Tenant Act, 1924, and, after some time spent therein, Mr. Speaker

resumed the Chair; and Mr. Oakley reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 210), The Workmen's Compensation Rehabilitation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Oakley reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 213), To amend the Workmen's Compensation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Oakley reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Report for 1923 of the Workmen's Compensation Board. (*Sessional Papers, No. 51.*)

Also—Thirty-third Annual Report of the Department of Mines. (*Sessional Papers, No. 4.*)

Also—Eighteenth Annual Report of the Ontario Railway and Municipal Board for year 1923. (*Sessional Papers, No. 46.*)

Also—Seventeenth Annual Report of the Game and Fisheries Department, 1923. (*Sessional Papers, No. 14.*)

Also—Report of Secretary and Registrar of the Province of Ontario for year ending October 31st, 1923. (*Sessional Papers, No. 19.*)

Also—Annual Report of Inspector of Legal Offices for 1923. (*Sessional Papers, No. 6.*)

The House then adjourned at 11.25 p.m.

Friday, April 4th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The following Bill was introduced and read the first time:—

Bill (No. 224), intituled "An Act for granting to His Majesty certain sums of money to defray the expenses of Civil Government for the year ending 31st October, One thousand nine hundred and twenty-four, and for the year ending 31st day of October, One thousand nine hundred and twenty-five, and for other purposes therein mentioned." *Mr. Price.*

Ordered, That the Bill be read the second time forthwith.

The Bill was then read a second time.

Ordered, That the Bill be read a third time forthwith.

The Bill was then read the third time and passed.

The following Bills were severally introduced and read the first time:—

Bill (No. 225), intituled "An Act respecting certain Debentures of the Township of Whitney." *Mr. Price.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 226), intituled "An Act respecting the Taxation of Lands in Unorganized Territory." *Mr. Lyons.*

Ordered, That the Bill be read the second time on Monday next.

Bill (No. 227), intituled "An Act respecting the Hydro-Electric Power Commission of Ontario and certain Companies and Corporations." *Mr. Ferguson.*

Ordered, That the Bill be read the second time on Monday next.

The following Bills were severally read the second time:—

Bill (No. 205), To amend the Ontario Land Surveyors Act.

Referred to the Legal Committee.

Bill (No. 206), To amend the Surveys Act.

Referred to the Legal Committee.

Bill (No. 59), Respecting the Railroad and City Y.M.C.A. of the City of St. Thomas.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 49), Respecting the Town of Mount Forest.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 177), To amend the Highway Traffic Act, 1923.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 212), To establish the Mining Court of Ontario.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 219), Respecting Highways.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 220), To amend the Hospitals for the Insane Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 223), To validate Title to certain Mining Lands and Mining rights.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 222), To amend the Game and Fisheries Act.

Referred to a Committee of the Whole House on Monday next.

The House resolved itself into a Committee to consider Bill (No. 202), Respecting the Culling and Measurement of Timber cut upon Public Lands, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Mieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 132), To amend the Ontario Election Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 122), To amend the Ontario Railway Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 130), Respecting Warehousemen's Liens, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 144), To amend the Registry Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 108), To amend the Consolidated Municipal Act, 1922, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 137), To amend the Municipal Franchise Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 201), To amend the Community Halls Act, 1920, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 25), Respecting the Ottawa Electric Railway Company, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

On motion of Mr. Keefer, seconded by Mr. McCrea,

That whereas there is and has been for some time past, but without any legal authority for so doing, a diversion and abstraction at Chicago of 10,000 cubic feet *per* second flow of waters out of the boundary waters between Canada and the United States, commonly known as the Great Lakes System, and into another watershed into which said waters do not belong;

And whereas such diversion and abstraction is contrary to the international treaty respecting boundary waters entered into between Canada and the United States, and the Canadian Government has been protesting and is protesting against such diversion for some time past to the Government of the United States;

And whereas the Province of Ontario, which is bounded on the south by the Great Lakes System, is vitally affected by any diversion from the said Lakes of any body of water, both because of its effect on navigation in the Great Lakes and the St. Lawrence River, and also because of the hydro-electric energy that could be developed from such water, *viz.*, 500,000 horsepower, in the Niagara and the St. Lawrence Rivers; therefore,

Be it resolved, That the Legislature of the Province of Ontario in Session assembled respectfully urge upon the Government of the Dominion of Canada to use every means within its power with the United States of America to restrain the City of Chicago from such illegal and improper diversion of water from the international waters in which Canada and particularly the Province of Ontario are so vitally interested.

And this Legislature also recommends that the Government of Canada should request the Government of the United States to take and exercise control of the works which permit of any diversion at Chicago instead of allowing same to be under the jurisdiction of one interested party only.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Thirty-eighth Annual Report of the Commissioners for the Queen Victoria Niagara Falls Park, 1923. (*Sessional Papers, No. 9.*)

Also—Return to an Order of the House, dated 14th March, 1924, That there be laid before this House, a Return of all correspondence and papers relative to the appointment of the following inspectors under the Ontario Temperance Act: W. W. Forsythe, L. W. Roach, E. E. Orser, J. H. Bell, F. A. Jennings, James A. Costello. (*Sessional Papers, No. 68.*)

Also—Return to an Order of the House, dated 14th March, 1924, That there be laid before this House, a Return of Copies of: 1. All correspondence between the present Government, or any member thereof, and A. E. Browning, K.C., lately Deputy Attorney-General of the Province of Saskatchewan. 2. All correspondence between the Attorney-General in the late Government and Mr. Browning. (*Sessional Papers, No. 69.*)

Also—Return to an Order of the House, dated 2nd April, 1924, That there be laid before this House, a Return of copies of all correspondence relative to a provincial loan or loans placed during the fiscal year ending 31st of October, 1919, with or through the Home Bank of Canada or any officer thereof. (*Sessional Papers, No. 70.*)

The House then adjourned at 5.15 p.m.

Monday, April 7th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Ninth Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 6), An Act to consolidate the Floating Debt of the Town of Goderich.

Bill (No. 16), An Act respecting the Town of Oakville.

Bill (No. 87), An Act respecting the City of Fort William.

Your Committee beg to report the following Bills without amendment:—

Bill (No. 42), An Act to confirm By-law 658 of the Village of Point Edward.

Bill (No. 173), An Act respecting the Town of Trenton.

Bill (No. 175), An Act respecting the City of Belleville.

Mr. Kennedy moved, seconded by Mr. Hillmer,

That no charge for any suspension of the Rules for receiving Reports of Committees be made under clause *a* of paragraph 3 of Rule 51*a* against any Private Bill introduced this Session; that a charge of \$25, instead of \$50, be levied under clause *b* of paragraph 3 of Rule 51*a* against any Bill presented to the House after the seventeenth day of this Session and before the twenty-fourth day; that a charge of \$50, instead of \$75, be levied under clause *c* of paragraph 3 of Rule 51*a* against any Bill introduced to the House after the twenty-fourth day of this Session and before the thirty-first day; that a charge of \$75, instead of \$100, be levied under clause *d* of paragraph 3 of Rule 51*a* against any Bill introduced to the House after the thirty-first day of this Session; and that any charges already paid during this Session, in excess of those above mentioned, be remitted.

Ordered, That no charge for any suspension of the Rules for receiving Reports of Committees be made under clause *a* of paragraph 3 of Rule 51*a* against any Private Bill introduced this Session; that a charge of \$25, instead of \$50, be levied under clause *b* of paragraph 3 of Rule 51*a* against any Bill presented to the House after the seventeenth day of this Session and before the twenty-fourth day; that a charge of \$50, instead of \$75, be levied under clause *c* of paragraph 3 of Rule 51*a* against any Bill introduced to the House after the twenty-fourth day of this Session and before the thirty-first day; that a charge of \$75, instead of \$100, be levied under clause *d* of paragraph 3 of Rule 51*a* against any Bill introduced to the House after the thirty-first day of this Session, and that any charges already paid during this Session, in excess of those above mentioned, be remitted.

The following Bill was introduced and read the first time:—

Bill (No. 228), intituled "An Act to amend the Assessment Act. *Mr. Nickle*.

Ordered, That the Bill be read a second time To-morrow.

The following Bills were severally read the third time and passed:—

Bill (No. 123), To amend the Ontario Highways Act.

Bill (No. 182), To provide Compensation for Damage caused by Sulphur Fumes.

Bill (No. 184), To amend the Land Transfer Tax Act.

Bill (No. 104), To amend the Railway Employees and Commercial Travellers Voting Act, 1923.

Bill (No. 99), To amend the Ontario Voters' Lists Act.

Bill (No. 194), To amend the Forest Fire Prevention Act.

Bill (No. 195), To amend the Northern and Northwestern Ontario Development Act, 1912.

Bill (No. 197), For raising Money on the Credit of the Consolidated Revenue Fund.

Bill (No. 199), To amend the Police Magistrates Act.

Bill (No. 114), To amend the Public Health Act.

Bill (No. 44), Respecting the Royal Ottawa Sanatorium.

Bill (No. 57), Respecting the City of Windsor.

Bill (No. 48), Respecting the City of London.

Bill (No. 58), Respecting the City of St. Catharines.

Bill (No. 103), To incorporate Ridley College.

Bill (No. 34), To incorporate the Village of Windermere.

Bill (No. 174), Respecting the Midland-Simcoe Railway Company.

Bill (No. 187), To amend the Public Utilities Act.

Bill (No. 188), To amend the Local Improvement Act.

Bill (No. 111), Respecting Medical and Dental Inspection of Pupils in Public and Separate Schools.

Bill (No. 210), The Workmen's Compensation Rehabilitation Act.

Bill (No. 213), To amend the Workmen's Compensation Act.

Bill (No. 132), To amend the Ontario Election Act.

Bill (No. 122), To amend the Ontario Railway Act.

Bill (No. 130), Respecting Warehousemen's Liens.

Bill (No. 144), To amend the Registry Act.

Bill (No. 108), To amend the Consolidated Municipal Act, 1922.

Bill (No. 137), To amend the Municipal Franchise Act, 1922.

Bill (No. 201), To amend the Community Halls Act, 1920.

Bill (No. 25), Respecting the Ottawa Electric Railway Company.

Bill (No. 202), Respecting the Culling and Measurement of Timber cut upon Public Lands.

The following Bills were severally read the second time:—

Bill (No. 9), Respecting the Town of North Bay.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 13), Respecting the Town of Sioux Lookout.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 20), Respecting the Village of Point Edward.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 23), Respecting the City of Kingston.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 160), To amend the Municipal Act.

Referred to the Municipal Committee.

Bill (No. 217), The Ontario Companies Act Amendment Act, 1924.

Referred to a Committee of the Whole House To-morrow.

Mr. Raney asked the following Question:—

1. What was the cost of the Provincial Election of 1919. 2. What was the cost of the Provincial Election of 1923.

To which the Attorney-General replied in the words and figures following:—

1. \$851,307.19. 2. \$407,900.72. From the above figures it will be seen that the cost of the 1919 elections is \$443,406.47 more than the cost of the 1923 elections. This is explained by the fact that in the 1919 elections the Government had to pay for the expenses of the election boards with regard to

registration and enumeration, making a difference of \$451,246.70. It must also be remembered that at the same time as the 1919 elections a plebiscite was held which added materially to the cost of that election.

Mr. Tellier asked the following Question:—

1. What was the number of men in the Provincial Police Force in 1915. 2. What was the cost of operation in that year. 3. How many men have been employed in the enforcement of the O.T.A. each year since its inception. 4. What amount has been paid each year for salaries and other expenses.

And the Attorney-General replied in the words and figures following:—

1. 47. 2. \$55,817.01. The Provincial Police Force was not employed in the enforcement of the Liquor License Act. There were 107 Local License Inspectors; 6 Provincial Inspectors and an average of 8 Special Officers employed in the enforcement of the Liquor License Act exclusive of the clerical and financial staffs. There were 102 Local License Boards with three members to each Board, making in all 306 Local License Commissioners.

Outside Detective Agencies were paid \$5,856.60.

3.—

| Year | License Inspectors | Provincial Inspectors and Officers | Board | Staff | Analyst | Special Officers Average | Temp. Prov. Officers |
|---------|--------------------|------------------------------------|-------|-------|---------|--------------------------|----------------------|
| 1917... | 58 | 9 | 3 | 10 | .. | 8 | .. |
| 1918.. | 55 | 11 | 3 | 10 | .. | 7 | .. |
| 1919.. | 54 | 11 | 3 | 13 | 1 | 9 | .. |
| 1920.. | 54 | 9 | 3 | 12 | 1 | 16 | 10 |
| 1921.. | 54 | 8 and 8 part time..... | 3 | 12 | 1 | 32 | 11 |
| 1922.. | 54 | 11 and 3 part time..... | 3 | 12 | 1 | 15 | 9 |
| 1923.. | 55 | 11 and 1 part time..... | 3 | 13 | 1 | 10 | 14 |

It is also the duty of all Municipal and Provincial Police to enforce the Ontario Temperance Act.

4.—

| | |
|------------|--------------|
| 1917..... | \$189,963 48 |
| 1918..... | 213,824 14 |
| 1919..... | 238,964 64 |
| 1920..... | 319,424 31 |
| *1921..... | 486,049 77 |
| 1922..... | 390,510 21 |
| 1923..... | 340,170 51 |

*In 1921 importation was prohibited necessitating increased staffs being maintained at Windsor and frontier points and in New Ontario.

Mr. Spence asked the following Question:—

1. What are the lengths of the following sections of Provincial Highways:—
(a) Dundas Street from Toronto to Clappisons Corners; (b) Hamilton to Ancaster; (c) Hamilton to Grimsby; (d) Whitby to Toronto. 2. What was the total cost of each of these sections. 3. What was the average cost *per* mile of each of these sections.

To which the Premier replied in the figures following:—

1. (a) 32.6 miles; (b) 4.3 miles; (c) 12.1 miles; (d) 22.9 miles. 2. (a) \$3,167,171; (b) \$521,882; (c) \$840,923; (d) \$1,743,091. 3. (a) \$97,152; (b) \$121,086; (c) \$69,383; (d) \$76,117.

Mr. Vaughan asked the following Question:—

1. What is the total mileage of Provincial Highways. 2. (a) Are all the Provincial Highways completed; (b) if not, how many miles have been surfaced with a permanent top and should not require resurfacing within the next five years. 3. What additional mileage may require surfacing with a permanent top within the next five years. 4. What is the estimated total cost of this work. 5. What is the estimated cost *per* mile.

And the Premier replied in the figures following:—

1. 1,842 miles. 2. (a) No; (b) 355 miles. 3. 700 miles. 4. \$28,000,000. 5. From \$35,000 to \$45,000 per mile, on basis of 1923 prices.

Mr. McKeown asked the following Question:—

1. What was the estimated cost of the Oakville Bridge. 2. What has it cost to date. 3. What will it cost to complete. 4. (a) Did the Department of Public Highways design this bridge; (b) if not, who did. 5. (a) Was any objection raised by any one with respect to the design selected; (b) if so, by whom; (c) when; (d) what was the nature of the objection. 6. Why was the design selected. 7. Who was responsible for its selection. 8. (a) Is the bridge open for traffic; (b) if not, why.

And the Premier replied in the words following:—

1. \$93,198.80 (exclusive of cost of additional land). 2. \$92,025.31 (exclusive of cost of additional land). 3. Approximately \$4,500, payable to contractors upon completion of their work and an amount to deal with present situation which cannot be estimated until the completion of investigations into

present condition of the structure. 4. (a) No; (b) H. V. Thompson. 5. (a) Yes; (b) M. J. Butler; (c) October and December, 1922; (d) (1). It was an extraordinary design without precedent; to build two cantilever semi-arches of reinforced concrete is an experiment. (2). Doubted if any Bridge Engineer would care to build such a structure in steel, let alone such material of uncertain elastic properties as reinforced concrete. (3). It was expensive to build—involves uncertainty in calculation and ought not to build as planned. (4). Suggested that he would submit the most economical design the site would admit of. 6. To meet the requirements of the Navigable Waters' Protection Act and because reinforced concrete bridges had been built on the rest of the Toronto and Hamilton Highway. 7. The Toronto and Hamilton Highway Commission, composed of Messrs. Biggs, McLean and Hogarth. 8. (a) No; (b) Pressure of earth fill at approaches has caused some movement in structure.

Mr. Wigle asked the following Question:—

1. Is matriculation necessary for admission to the Degree Course at the Ontario Agricultural College. 2. If so, when was this standard of admission adopted and on whose recommendation. 3. How many students were admitted to the first year class at the Ontario Agricultural College in each of the three years preceding the matriculation standard of admission if such was adopted and in each of the three years after such standard. 4. Do the present Government approve of this standard of admission to the Degree Course of the Ontario Agricultural College.

To which the Premier replied in the words and figures following:—

1. Yes. 2. 1920 on the recommendation of J. B. Reynolds, President of the Ontario Agricultural College. 3. 1917, 82; 1918, 118; 1919, 279; total 479. After change in entrance: 1920, 127; 1921, 102; 1922, 86; total 315. 4. The matter is at present receiving the consideration of the Government.

Mr. Sewell asked the following Question:—

1. Did the Treasurer of Ontario sell an issue of provincial bonds or treasury bills during the fiscal year ending 31st of October, 1919, to (or through) the Home Bank of Canada or any official thereof. 2. If so, what, in each case, was (a) the price of the bills or bonds and the date of the transaction; (b) the amount of the loan; (c) the rate of interest. 3. Were such loans sold by public tender. 4. Where were such loans payable. 5. What was realized by the Province in each such case.

And the Premier replied in the words and figures following:—

1. Yes. 2, 4 and 5, as follows:—

| Price Received | Date of Issue | Amount of Loan | Rate of Interest | Where payable | Amount realized by Province |
|----------------|----------------|---------------------------------|------------------|--|-----------------------------|
| 100 | 15 May, 1919 | \$3,000,000 (Treasury Bills) | 5½% | Office of the Provincial Treasurer; Home Bank, Toronto; or National Park Bank, New York. | \$3,000,000 |
| 100 | 10 June, 1919 | \$500,000 (Treasury Bills) | 5% | Office of the Provincial Treasurer. | 500,000 |
| 96.75 | 15 Sept., 1919 | \$3,000,000 (Treasury Bills) | 6½% | Office of the Provincial Treasurer; or Bank of Montreal, New York. | 2,902,767 |
| 94.48 | 23 Sept., 1919 | \$4,000,000 (Debentures) | 5½% | Office of the Provincial Treasurer; or Bank of Montreal, New York. | 3,779,200 |

3. No.

Mr. Lewis asked the following Question:—

1. What loans and Treasury Bills were sold by the Government during the year 1919 and 1920. Give in each case (a) the amount of the loan; (b) rate of interest; (c) dates of issue and maturity; (d) price; (e) cost to the Province, inclusive of exchange.

To which the Premier replied in the words and figures following:—

| Amount of Loan | Rate % | Date of Issue | Date of Maturity | Nominal Price at which Loan was sold | Nett Price after allowing for exchange, brokerage and other expenses | Cost to Province % |
|-------------------------------|--------|----------------|------------------|--------------------------------------|--|--------------------|
| LONG TERM (Debentures):— | | | | | | |
| \$3,000,000 | 5 | 1 Jan., 1919 | 1 Jan., 1922 | 98.12901 C. | 96.2032 N.Y. | 6.4177 |
| 3,000,000 | 5½ | 15 April, 1919 | 15 April, 1922 | 101.134 C. | 98.5988 N.Y. | 6.0175 |
| 4,000,000 | 5 | 28 May, 1919 | 28 May, 1922 | 100.02754525 C. | 97.3642 N.Y. | 5.9789 |
| 3,000,000 | 5½ | 15 Aug., 1919 | 15 Aug., 1924 | 99.67 C. | 95.4943 N.Y. | 6.5790 |
| 4,000,000 | 5½ | 23 Sept., 1919 | 23 Sept., 1922 | 94.48 C. | 91.0102 N.Y. | 6.7583 |
| 3,000,000 | 5½ | 1 Dec., 1919 | 1 Dec., 1929 | 97.76 C. | 93.183313 N.Y. | 6.4422 |
| 3,000,000 | 5½ | 1 Jan., 1920 | 1 Jan., 1930 | 90.41 N.Y. | 90.37666 N.Y. | 6.8447 |
| 5,000,000 | 5½ | 1 Mar., 1920 | 1 Mar., 1925 | 100.65 C. | 91.1188 N.Y. | 7.6721 |
| 2,000,000 | 6 | 1 April, 1920 | 1 April, 1935 | 100.719 C. | 100.6496 C. | 5.9340 |
| 6,800,000 | 6 | 15 April, 1920 | 15 April, 1925 | 91.633 N.Y. | 91.597155 N.Y. | 8.06 |
| 8,000,000 | 6 | 15 June, 1920 | 15 June, 1930 | 98.236 C. | 98.1762 C. | 6.2479 |
| 3,000,000 | 6 | 1 Oct., 1920 | 1 Oct., 1923 | 103.567 C. | 95.173 N.Y. | 7.8446 |
| 2,000,000 | 6 | 30 Oct., 1920 | 31 Oct., 1930 | 98.236 C. | 98.236 C. | 6.23 |
| 5,000,000 | 6 | 15 Nov., 1920 | 15 Nov., 1927 | 104.533 C. | 93.31606 N.Y. | 7.2419 |
| 16,000,000 | 6 | 1 Dec., 1920 | 1 Dec., 1935 | 92.34 C. | 92.29866 C. | 6.8285 |
| SHORT TERM (Treasury Bills):— | | | | | | |
| \$3,000,000 | 5 | 13 Jan., 1919 | 13 July, 1919 | 99.63548 N.Y. | 99.6141 N.Y. | 5.8002 |
| 1,000,000 | 5 | 24 Feb., 1919 | 31 Dec., 1919 | 100 C. | 99.875 C. | 5.1536 |
| 3,000,000 | 5½ | 15 May, 1919 | 15 Feb., 1920 | 100 C. | 100 C. | 5.1250 |
| 500,000 | 5 | 10 June, 1919 | 10 June, 1919 | 100 C. | 100 C. | 5 |
| 3,000,000 | 6 | 14 July, 1919 | 11 Nov., 1919 | 100 N.Y. | 97.894 N.Y. | 6.5516 |
| 3,000,000 | 6½ | 15 Sept., 1919 | 15 Mar., 1920 | 100 N.Y. | 96.7589 N.Y. | 6.7260 |
| 3,000,000 | 6 | 15 May, 1920 | 15 Nov., 1920 | 99.5 C. | 99.50197 C. | 7.0310 |
| 5,000,000 | 6 | 15 June, 1920 | 15 Dec., 1920 | 99.5 C. | 99.5 C. | 7.0351 |
| 6,000,000 | 6 | 15 Oct., 1920 | 15 April, 1920 | 99.5 C. | 99.5 C. | 7.0351 |
| 1,000,000 | 6 | 15 Nov., 1920 | 15 May, 1921 | 99.5 C. | 99.5 C. | 7.0351 |
| 1,000,000 | 6 | 15 Dec., 1920 | 15 June, 1921 | 99.5 C. | 99.498 C. | 7.1495 |

"C" means Canadian Funds. "N.Y." means New York Funds.

Mr. Carmichael asked the following Question:—

1. Who were the purchasers of an issue of \$3,000,000 of Ontario Treasury Bills in September, 1919, bearing interest at $6\frac{1}{2}$ *per cent.* which according to the Public Accounts for that year realized \$2,902,767.

And the Premier replied as follows:—

The Home Bank of Canada discounted \$3,000,000 Treasury Bill, Series "FF," dated September 15th, 1919, for six months at the rate of $6\frac{1}{2}$ *per cent. per annum.* The sum of \$2,902,767 was realized after payment of interest in advance by way of discount.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 59), Respecting the Railroad and City Y.M.C.A. of the City of St. Thomas.

Bill (No. 49), Respecting the Town of Mount Forest.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 79), To repeal the Municipal Tax Exemption Act, 1920, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 220), To amend the Hospitals for the Insane Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 222), To amend the Game and Fisheries Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 223), To validate title to certain Mining Lands and Mining Rights, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 200), To amend the Ontario Temperance Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 177), To amend the Highway Traffic Act, 1923, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 219), Respecting Highways, and, after some time spent therein, Mr. Speaker resumed

the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House then adjourned at 5.10 p.m.

Tuesday, April 8th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Nickle, from the Standing Committee on Private Bills, presented the Tenth Report, which was read as follows and adopted:—

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 32), An Act to consolidate the Floating Debt of the Town of Georgetown.

Bill (No. 84), An Act respecting the City of Niagara Falls.

Bill (No. 146), An Act to incorporate the St. Catharines General Hospital.

Bill (No. 204), An Act respecting the City of St. Catharines.

Your Committee beg to report the following Bill without amendment:—

Bill (No. 8), An Act to authorize the Law Society of Upper Canada to admit Donald John Livingston as a Student-at-Law.

Your Committee recommend that the fees, less the actual cost of printing be remitted on Bill (No. 24), "An Act to authorize the Law Society of Upper Canada to admit George Laturney to practise as a Barrister and Solicitor"; Bill (No. 35), "An Act to authorize the Law Society of Upper Canada to admit Orion Philip Barron to practise as a Barrister and Solicitor"; and on Bill (No.

113), "An Act to authorize the Law Society of Upper Canada to admit William Edwards-MacDonald as a student in his Third Year," the same having been withdrawn by the promoters thereof.

Your Committee also recommend that the fees, less the actual cost of printing, be remitted on Bill (No. 146), "An Act to incorporate the St. Catharines General Hospital," on the ground that it is one relating to a charitable institution.

Ordered, That the fees, less the actual cost of printing, be remitted on the following Bills:—Bill (No. 24), George Laturney; Bill (No. 35), Orion P. Barron; Bill (No. 113), William Edwards MacDonald; and Bill (No. 146), St. Catharines General Hospital.

Mr. Trewartha, from the Standing Committee on Agriculture and Colonization, presented their First Report, which was read as follows and adopted:—

The Committee met for organization on February 20th, and elected Mr. N. W. Trewartha (South Huron) chairman. Six subsequent sittings have been held.

On February 22nd, the Committee heard Mr. James Armstrong, of Simcoe, director Ontario Beekeepers' Association, and Mr. A. G. Halstead, general manager, Ontario Honey Producers' Association, Limited. On February 27th, discussion upon the overseas fruit market was preceded by an address from Mr. James E. Johnson, of Simcoe, who investigated conditions in Great Britain at request of the Department. On March 6th the Committee heard Mr. R. W. Wade, of the Live Stock Branch, and Prof. Milne, of the O.A.C., respecting foul brood among bees. Live stock improvement was further discussed on March 12th.

The Dairy Standards Act was discussed at length on March 25th, when it was moved by Mr. Rankin, seconded by Mr. Belford, and agreed:—

"That the matter be left in the hands of the Minister."

On April 7th, the Committee heard J. Duff Brien, secretary, and C. W. Gurney, president, of the Eastern Canada Live Stock Union, in support of their argument for a minimum freight rate on mixed carloads of live stock and for a 25 *per cent.* reduction in the rate on feeder cattle from stock yards to country points. Prof. A. Leitch, of the O.A.C., also presented arguments in favour. It was moved by Mr. Rowe, seconded by Mr. Wright, and carried:—

"That this Committee is of the opinion that a reduction of 25 *per cent.* in freight rates on feeder cattle shipped from stock yards to country points, and a minimum rate on mixed carloads of live stock would be in the interest of live stock development in Ontario, and could be made effective without disadvantage to carrying companies. This Committee therefore urges upon the proper authorities that steps be taken to give effect to these changes; and this Committee recommends that the matter be further investigated by the special Committee of Inquiry to be appointed by the Government."

It was also moved by Hon. Mr. Bowman, seconded by Mr. Gray, and it was agreed:—

"That another effort be made to get representatives of the Freight Traffic Association before this Committee, so that all sides can be heard."

The following Bill was introduced and read the first time:—

Bill (No. 229), intituled "The Immigrant Children's Protection Act."
Mr. Nickle.

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 207), For the settlement of certain questions between the Governments of Canada and Ontario respecting Indian Reserve Lands.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 216), Respecting the Registration of Brokers.

Referred to a Committee of the Whole House To-morrow.

The Order of the Day for the second reading of Bill (No. 221), To amend the Natural Gas Conservation Act, 1922, having been read,

Mr. McCrea moved,

That the Bill be now read the second time.

And the question being put, was carried on the following division:—

YEAS.

| | | | |
|--------------|------------|---------------|-----------------|
| Acres. | Finlayson. | Kennedy. | Rowe. |
| Belford. | Garden. | (Peel) | Spence. |
| Black. | Godfrey. | Kennedy. | Stedman. |
| Bradburn. | Goldie. | (Temiskaming) | Stuart. |
| Carr. | Gray. | Lyons. | Sweet. |
| Chambers. | Graves. | McBrien. | Thompson. |
| (Oxford) | Hambly. | McCausland. | (Lanark) |
| Chambers. | Harcourt. | McCrea. | Trewartha. |
| (Wellington) | Hill. | McKeown. | Weichel. |
| Clarke. | Ireland. | McKnight. | Wigle. |
| (Brockville) | Jamieson. | MacDiarmid. | Wilson. |
| Colliver. | (Grey) | Martin. | (Windsor) |
| Crawford. | Jamieson. | Monteith. | Willson. |
| Currie. | (Simcoe) | Nesbitt. | (Niagara Falls) |
| Ecclestone. | Johnston. | Oakley. | Wright—59. |
| Elliott. | Joynt. | Owens. | |
| Fallis. | Keefer. | Patterson. | |
| Ferguson. | Keith. | Price. | |

NAYS.

| | | | |
|-------------|------------------|-------------|----------------|
| Belanger. | Clarke. | Lethbridge. | Sewell. |
| Berry. | (Northumberland) | McCallum. | Sinclair. |
| Brackin. | Doherty. | Mahony. | Taylor. |
| Bragg. | Fisher. | Mewhinney. | Tellier. |
| Carmichael. | Freeborn. | Proulx. | Widdifield—24. |
| Carty. | Kemp. | Ross. | |
| | Lang. | Sangster. | |

PAIRS.

| | |
|---------------|--------|
| Nickle..... | Raney |
| Lewis..... | Nixon |
| Hillmer..... | Wallis |
| MacBride..... | Pinard |

And the Bill was read the second time and referred to a Committee of the Whole House To-morrow.

The Provincial Secretary presented to the House, by command of His Honour the Lieutenant-Governor:—

Regulations and Orders-in-Council made from March 10th to April 3rd, 1924, under authority of the Department of Education Act or of the Acts

relating to Public Schools, Separate Schools or High Schools. (*Sessional Papers No. 54.*)

Also—Seventeenth Report of the Department of Public Records and Archives for the Province of Ontario, 1924. (*Sessional Papers, No. 48.*)

The House then adjourned at 6.15 p.m.

Wednesday, April 9th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 81), To amend the Consolidated Essex Border Utilities Act.

Bill (No. 9), Respecting the Town of North Bay.

Bill (No. 13), Respecting the Town of Sioux Lookout.

Bill (No. 20), Respecting the Village of Point Edward.

Bill (No. 23), Respecting the City of Kingston.

Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time To-morrow.

The following Bills were severally read the second time:—

Bill (No. 42), To confirm By-law No. 658 of the Village of Point Edward.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 173), Respecting the Town of Trenton.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 175), Respecting the City of Belleville.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 8), To authorize the Law Society of Upper Canada to admit Donald John Livingstone as a Student-at-Law.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 218), Respecting the Sale of Securities.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 225), Respecting certain Debentures of the Township of Whitney.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 226), Respecting the taxation of Land in Unorganized Territory.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 203), To encourage the Destroying of Wolves.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 228), To amend the Assessment Act.

Referred to the Municipal Committee.

Bill (No. 229), The Immigrant Children's Protection Act.

Referred to a Committee of the Whole House To-morrow.

Bill (No. 227), Respecting the Hydro-Electric Power Commission of Ontario and certain Companies and Corporations.

Referred to a Committee of the Whole House To-morrow.

The House again resolved itself into a Committee to consider Bill (No. 190), to amend the Power Commission Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had made some progress, and directed him to ask for leave to sit again.

Resolved, That the Committee have leave to sit again To-morrow.

The House resolved itself into a Committee to consider Bill (No. 212), To establish the Mining Court of Ontario, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 217), The Ontario Companies Amendment Act, 1924, and, after some time spent therein Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 221), To amend the Natural Gas Conservation Act, 1922, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 207), For the settlement of certain questions between the Governments of Canada and Ontario respecting Indian Reserve Lands, and, after some time spent therein Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 216) Respecting the Registration of Brokers, and, after some time spent therein

Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House then adjourned at 5.45 p.m.

Thursday, April 10th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Nickle, from the Standing Committee on Private Bills, presented their eleventh Report, which was read as follows and adopted:—

Your Committee beg to report that Bill (No. 19), "An Act respecting the Union of certain Churches therein named," was withdrawn by the promoters hereof in Committee and would recommend that the fees, less the actual cost of printing, be remitted thereon.

A copy of the Minutes and Proceedings of the seventh, eighth, ninth, tenth and fifteenth meetings of the Committee relating to the consideration of this Bill is attached hereto as Appendix "A."

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 19), Respecting the Union of certain Churches.

APPENDIX "A."

MINUTES AND PROCEEDINGS OF PRIVATE BILLS COMMITTEE.

Seventh Meeting.

10 a.m., March 26th, 1924.

The Private Bills Committee met this morning at 10 a.m., with Hon. Mr. Nickle in the Chair.

Bill (No. 19), *An Act respecting the Union of certain Churches therein named*.

This Session was devoted to presentation of arguments by representatives of outside bodies with respect to the principle of the Bill. No detailed minutes were taken.

The Committee adjourned at 1 p.m.

MINUTES AND PROCEEDINGS OF PRIVATE BILLS COMMITTEE.

Eighth Meeting.

10 a.m., March 27th, 19

The Private Bills Committee met this morning at 10 a.m., with Hon. Nickle in the Chair.

Bill (No. 19), *An Act respecting the Union of certain Churches therein nam*

This Session was devoted to presentation of arguments by representatives of outside bodies with respect to the principle of the Bill. No detailed minutes were taken.

The Committee adjourned at 1 p.m.

SYNOPSIS.

MINUTES AND PROCEEDINGS OF PRIVATE BILLS COMMITTEE.

Ninth Meeting.

10 a.m., March 28th, 19

The Private Bills Committee met this morning at 10 a.m., with Hon. Nickle in the Chair.

Bill (No. 19), *An Act respecting the Union of certain Churches therein nam*

The Session opened with the Chairman putting the question to the Committee, "Shall clause 1 of the Bill be passed?" Thereupon members of the Committee discussed the principle of the Bill and expressed their views generally as follows:—

| <i>For.</i> | | <i>Against.</i> | |
|-------------|---------------|-----------------|-------------|
| McKeown. | Clarke (Nor.) | Lewis | Carmichael. |
| Raney. | Sweet. | Macdiarmid. | Vaughan. |
| Fisher. | Elliott. | Gray. | Mewhinney. |
| Taylor. | Oke. | Finlayson. | Garden. |
| Rankin. | Harcourt. | Currie. | Owens. |
| Weichel. | Joynt. | Clarke. | Bradburn. |
| Crawford. | Doherty. | Chambers | |

Moved by Mr. Lewis,

That further consideration of the Bill be deferred until the principle of the Bill has been settled by the Dominion Parliament.

Moved in amendment by Mr. Clarke (Brockville.)

That all the words in the motion after the first word "That" be struck out and the following substituted therefor:—

"The Bill be amended by adding a section providing for the taking of a vote of the members of the Presbyterian Church in Canada to ascertain whether they are in favour of the Bill and that further provision should be made in the Bill for its coming into force when it has been ascertained that the vote is in favour of the Bill."

After considerable discussion, Mr. Lewis withdrew his motion in favour of the amendment. The vote was taken upon the amendment as moved by Mr. Clarke and accepted by Mr. Lewis.

| Yeas. | | Nays. | |
|-------------------|---------------------|-----------------|-------------|
| Bradburn. | Keefer. | Chambers (Ox.). | Mark. |
| Callan. | Keith. | Clarke (Nor.). | Oke. |
| Carmichael. | Lewis. | Crawford. | Price. |
| Chambers (Well.). | McCausland. | Doherty. | Proulx. |
| Clarke (Brock.). | Macdiarmid. | Elliott. | Raney. |
| Currie. | Mewhinney. | Fisher. | Rankin. |
| McClestone. | Nesbitt. | Harcourt. | Rowe. |
| Callis. | Owens. | Ireland. | Sewell. |
| Finlayson. | Ross. | Joynt. | Spence. |
| Garden. | Vaughan. | Kemp. | Sweet. |
| Gray. | Wigle. | Lang. | Taylor. |
| Graves. | Willson (Niag. F.). | Lethbridge. | Trewartha. |
| Gillmer. | —25. | McKeown. | Weichel—26. |

"W. F. NICKLE."

MINUTES AND PROCEEDINGS OF PRIVATE BILLS COMMITTEE.

Tenth Meeting.

10 a.m., April 1st, 1924.

The Private Bills Committee met this morning at 10 a.m., with Hon. Mr. Nickle in the Chair.

Bill (No. 19), *An Act respecting the Union of certain Churches therein named.*

On the direction of the Chairman the Clerk read the minutes of the preceding meeting. The name of Mr. Doherty was transferred from the list of members speaking against the principle of the Bill to the list of those speaking in favour of the principle of the Bill. Regularly moved and seconded, that the minutes, as read and amended, be adopted. Carried.

The Chairman read a telegram in opposition to the Bill from members of St. Paul's Church, Winchester. Mr. Sweet explained that he had not made the statement that the elders referred to in the telegram were voicing the opinion

of the Church as a whole, but just their individual opinion. Up to that time he had received no communication from any member of St. Paul's Church in opposition to the Bill.

Hon. Mr. Raney presented two resolutions, one from St. Andrew's Church, Fergus, and the other from Knox Church, Elora, in opposition to the Bill.

Subsequently the Chairman put the question again to the Committee "Shall clause 1 of the Bill be passed?" Thereupon Mr. Keith moved the following motion:—

Moved by Wm. Keith, seconded by Major Lewis,

That the Bill be amended by adding a clause providing where a congregation of a Presbyterian Church or a portion thereof is opposed to uniting in accordance with the Bill, the assets of the said Church shall be distributed on the same basis as the census taken of the congregation shows the percentage for and against the Union, and where the parties are unable to agree, the distribution of all assets shall be made by arbitration and those opposed to Union shall remain as the Presbyterian Church.

The Chairman ruled this motion out of order on the ground that it could not properly be considered in connection with clause 1 of the Bill.

After a short discussion Mr. Lewis moved the following motion:—

Moved by Mr. Lewis, seconded by Mr. Willson (Niagara Falls),

That before proceeding with consideration of Bill (No. 19) by sections, the principles of the amendment submitted by Messrs. Keith and Lewis be settled by the Committee.

Mr. Rowe, Mr. Belanger and Mr. McCausland discussed this motion and subsequently Mr. Brackin moved an amendment, viz., That all the words after the word "that" be struck out and the following substituted therefor:—

"The Bill be amended by adding a clause providing for the preservation of The Presbyterian Church in Canada, The Methodist Church and Congregational Churches as separate entities and that where a congregation of any such church or a portion thereof is opposed to uniting in accordance with the Bill, the assets of the said Church shall be distributed on the same basis as the census taken of the congregation shows the percentage for and against the Union, and where the parties are unable to agree, the distribution of all assets shall be made by arbitration and those opposed to Union may remain as the Presbyterian Church

The discussion continued, in the course of which Mr. Clarke (Northumberland) expressed himself in favour of the Bill with our amendment; Mr. Proulx indicated that he would vote to leave to those in Canada refusing to join the Union the use of the name Presbyterian Church; Mr. Mageau declared himself in favour of the amendment to the motion; Mr. McKeown, Mr. McKnight and Col. Currie and Hon. Mr. Raney also spoke.

Mr. Finlayson closed the discussion by moving an amendment to the amendment, as follows:—

Moved by Mr. Finlayson, seconded by Mr. Currie,

That all the words after the word "That" in the amendment be struck out and the following substituted therefor:—

"That before proceeding further with the Bill the Law Clerk of the Committee be instructed to draft clauses by which the Bill will be amended by adding clauses providing for the preservation of the Presbyterian Church in Canada, the Methodist Church or Congregational Church as separate entities, and for giving to any congregation the right, by vote of its members, to remain in its mother Church and to keep therein any property owned by it."

The vote was on the amendment to the amendment, as follows:—

| Yeas. | | Nays. | |
|-------------------|---------------------|------------------|---------------|
| Berry. | Lewis. | Armstrong. | McKeown. |
| Crackin. | McCausland. | Belanger. | Mark. |
| Crabburn. | MacDiarmid. | Black. | Morel. |
| Cragg. | Mageau. | Chambers (Ox.). | Oakley. |
| Cullan. | Mewhinney. | Clarke (North.). | Oke. |
| Carmichael. | Milligan. | Crawford. | Raney. |
| Chambers (Well.). | Nesbitt. | Elliott. | Rankin. |
| Clarke (Brock.). | Owens. | Fisher. | Rowe. |
| Currie. | Pinard. | Harcourt. | Sewell. |
| Clestone. | Proulx. | Ireland. | Spence. |
| Finlayson. | Sinclair. | Joynt. | Sweet. |
| Gurden. | Tellier. | Kemp. | Trewartha—26. |
| Gray. | Wallis. | Lethbridge. | |
| Haves. | Weichel. | McBrien. | |
| Haney. | Wigle. | | |
| Illmer. | Wilson (Windsor). | | |
| Jeffer. | Willson (Niag. F.). | | |
| Keith. | Ross—36. | | |

The motion, as amended, was then adopted on the same division.

The Committee adjourned at 12.45 p.m.

"W. F. NICKLE."

MINUTES AND PROCEEDINGS OF PRIVATE BILLS COMMITTEE.

Fifteenth Meeting.

9.45 a.m., April 9th, 1924.

The Private Bills Committee held their fifteenth meeting this morning at 9.45 a.m., with Hon. Mr. Nickle in the Chair.

Bill (No. 19), *An Act respecting the Union of certain Churches.*

On the direction of the Chairman the Clerk read the minutes of the meeting of April 1st, 1924. Resolutions presented by Mr. Raney at the said meeting were noted as being opposed to the Bill. Regularly moved and seconded, that the minutes, as read and amended, be adopted. Carried.

The South Waterloo seat being vacant in the House, the Chairman drew the attention of the Committee to two communications, opposed to the principle of the Bill, received by him from the Secretary of the Galt Branch Presbyterian Association and from the Board of Management of the Knox Presbyterian Church of Preston.

Upon the minutes being approved, Mr. McKeown, the sponsor for the Bill, after an address, in which he voiced the hope that in the not distant future there would be unity in purpose if not in organic form between even the Roman Catholic and Protestant denominations, asked the permission of the Committee to withdraw the Bill.

The Chairman then presented to the Committee the Bill as it had been reprinted to include the amendments drafted by the Law Clerk pursuant to the resolution of the Committee. Copies of the reprinted Bill were thereupon distributed and the Chairman announced that additional copies would be available to members of the House upon request.

The Chairman of the Committee thereupon gave his ruling with regard to the following:—

1. That the Bill was a Private Bill and not a Public Bill.
2. That, being a Private Bill, it was the property of the promoter and could be withdrawn by him in Committee.

In the course of making these rulings the Chairman spoke as follows:—

“Under ordinary circumstances I do not know that I would make any comment if a member rose and desired leave to withdraw a Bill, but, due to the fact that there has been certain newspaper publicity in relation to the legal situation surrounding the withdrawal of this Bill, I think possibly it would be in the general interest that I should make a brief statement in relation to the constitutional position, as I understand it.

“The first question, as raised through the press, is, is this Bill a private bill or is it a public bill? As Hon. members know who have been in this Legislature before, Parliament is the custodian of its own practice, and establishes through its own action out the years how public business shall be conducted. While our system of parliamentary government is patterned on the parliamentary system of the Old Land, yet we have in the development of our institutions not always followed upon parallel lines with those of Great Britain. I am driven to the conclusion that this is a private bill, by consideration of similar legislation that has passed, not only this Legislature, but the Dominion House as well. I find in looking in the records of the House, as expressed in the Journals of the Legislative Assembly for 1874, that a bill, then before the House and known as No. 56, Respecting Queen's College, Kingston, and No. 58, Respecting the Union of Certain Presbyterian Churches, was regarded as a private bill and referred to the Select Standing Committee on Private Bills by the House on the 9th day of December, 1874.

"I find further that two years ago, or possibly only last year, when the University of Western Ontario made application here for a change in their character, it was regarded as a private bill and referred to the Private Bills Committee. And again I find that in 1912, when Queen's University made application to the Dominion Parliament to be constituted an undenominational institution, the bill was regarded as a private bill and referred to the Private Bills Committee of the Dominion House.

"I therefore reach the conclusion, I think beyond possibility of contradiction, that this is a private bill and my second decision must therefore be upon the question, has a private member the right, of his own volition, to withdraw such bill from consideration of the Committee?

"Hon. members who may be interested in the constitutional problem, if they will turn to the Twelfth Edition of Sir T. Erskine May's Parliamentary Practice, will find on page 608 the following stated:—

"In passing private bills, Parliament still exercises its legislative functions, and its proceedings partake also of a judicial character. The persons whose private interests are to be promoted appear as suitors for the bill; while those who apprehend injury are admitted as adverse parties in the suit. Many of the formalities of a court of justice are maintained; various conditions are required to be observed, and their observance to be strictly proved; and if the parties do not sustain the bill in its progress, by following every regulation and form prescribed, it is not forwarded by the house in which it is pending. If they abandon it, and no other parties undertake its support, the bill is lost, however valuable the house may be of its value. The analogy which all these proceedings bear to a court of justice is further supported by the payment of fees, which is required of every party promoting or opposing a private bill, or petitioning for opposing any particular provision. It may be added that the solicitation of a bill in Parliament has been regarded, by courts of equity, so completely in the same light as an ordinary suit, that the promoters have been restrained, by injunction, from proceeding with a bill, the object of which was held to be to rescind a covenant; or which was promoted by a public body, in evasion of the *Towns Improvement Act, 1847*. Parties have also been restrained, in the same manner, from appearing as petitioners against a private bill pending in the House of Lords. Such injunctions have been justified on the ground that they act upon the person of the suitor, and not upon the jurisdiction of Parliament; which would clearly be otherwise in the case of a public bill. And acting on the same principles, Parliament has obliged a railway company, under penalty of a suspension of dividends, to apply in the next session for a bill to authorize the construction of a line of railway which the company had pledged itself to make, and in good faith to promote it.'

"This emphasizes what I have often said, that as a Private Bills Committee sit as a court, and therefore should treat these matters as a court.

"Again, at page 732 of May, I read:—

"If parties acquaint the committee that they do not desire to proceed further with the bill, this fact is reported to the house; and an order is then made that the bill be withdrawn, or merely, that the report do lie upon the table.

In 1902 a committee having thus reported that the parties did not intend to proceed with their bill, notice was given of a motion to recommit the bill; but Mr. Speaker ruled that such a motion would be out of order on the ground that a private bill was the property of the promoters and that the house could not compel them to proceed with it against their wish.'

"I have turned to Parliamentary Debates of Great Britain, Fourth Series, Volume 150, and find that on the 26th day of July, 1905, the following proceedings took place: The House met at two of the clock, when private bills and provisional orders were sent down for consideration, but progress was again blocked, Mr. McVeigh objecting to all except the Dublin United Tramways Bill, but in this case the Ministerialists retaliated by blocking the bills which were postponed. Again, on second reading of the London Bill, Mr. Caldwell, of Lancaster, moved the order be read and discharged and the bill withdrawn. A member objected and Mr. Speaker said: 'The hon. member cannot object to the withdrawal of a private bill.'

"What I have read from May and the Parliamentary Proceedings of Great Britain seems to establish beyond shadow of a doubt that a private bill, as a portion of a judicial proceeding, is within the control of the member who sponsors the legislation. But that there might be no possible room for doubt, I was fortunate in that my memory took me back to something that occurred in the Legislature in 1922, when on the 29th of May, when the order of the day for the second reading of Bill No. 21, Hamilton Veterans of the Great War Bill, having been called, Mr. Halcrow moved, that the order of the day be discharged and the bill withdrawn. The point of order was here raised as to whether a member could move the discharge of an order of the day standing in his name, if objections were taken to withdrawal of the order, and Mr. Speaker, being asked to rule, addressed the House as follows (see Journals, 1922, 313-315):—

"There is no rule in the Assembly with regard to withdrawal of private bills, so as to a member withdrawing the bill at any stage we are thrown back on the English practice. It seems to be clear that with regard to a public bill a motion for withdrawal must be made and can only be withdrawn after successful motion. With regard to private bills, the English practice is different, viz. Sir T. Erskine May, 11th edition, page 361 (12th Ed., p. 732), from which it appears private bills may be withdrawn when the bill is still in committee (I have read this passage.)

"He then goes on to say:—

"I do not know of any case in which a bill of this nature has been proceeded with against the will of the promoter. Where amended by the Private Bill Committee so as to be unsuitable to the promoter, it is for the House to allow its withdrawal on motion by the mover. There is no precedent for forcing after the member introducing it has signified his intention not to proceed with it.'

"Therefore, gentlemen, I feel obliged to rule, in pursuance of the authority to which I have directed your attention, that this is a private bill; and that the Committee, acting as a judicial body, must bow to the wish of the member Mr. Dufferin, and permit him to withdraw the Bill.

"May I say further, gentlemen, responding briefly to the very kind references to myself, that I felt a grave responsibility rested upon this Committee and Parliament to see that this body, which had caused such grave heart-burnings throughout the Dominion and Province, should so conduct itself that when proceedings were over, no one could say a mighty problem had been hurt, either by strenuous objection or boisterous interruption. My small efforts would have been unavailing had I not received such enthusiastic support from members of the Committee.

"May I also say, and I think this is the first time I have thrust myself into the discussion, that it is a matter of deep regret to me that the representatives of the various groups who have taken such an active part in this discussion did not see fit to give consideration to the Bill that has been laid on the table this morning by the Law Clerk of the House. I am not going to say for one moment that I believe all truth was compressed in that measure, but in the light of a resolution passed in the General Assembly in June, 1923, and which is reported in the Acts and proceedings of the 49th General Assembly of the Presbyterian Church in Canada, page 90, and read as follows: President Murray moved, seconded by R. M. Dickie, That the following be added to the report on Church Union and become clause 6 of that report: 'The Committee is hereby empowered to use its best effort, by amendment of proposed legislation or otherwise (consistently with the objects and general form of legislation as approved by the Assembly), to maintain the unity of the Church, or if that be impossible, then to reach a satisfactory agreement with the minority in reference to the name and status of non-concurring congregations and division of denominational property and rights of the Presbyterian Church in Canada, without recourse, as far as possible, to the commission referred to in the said legislation.' And the motion carried.

"If I may read between the lines of that resolution and catch what I believe was the spirit of the Presbyterian Church, may I not at this juncture express the hope that if those representing the discordant groups in the Presbyterian Church—and at the moment I do not touch on the problem of the Methodist or Congregational Churches, because with general unanimity they have expressed a desire to enter the union—may I say that had the discordant groups in the Presbyterian Church only seen fit to get together and consider this amended Bill, was there not a possibility, if the spirit of conciliation was in the air, if there had been a desire to get together, that through this amended Bill a *via media* might have been found that would have brought religious peace, spiritual freedom, and that would have at least have brought us some way towards the observance of the eleventh commandment.

"I don't know whether or not I speak the voice of this Committee (Hear, Hear), but I do hope this one thing, that between now and the time Parliament again meets, that those who had a vision of a great thing and a tremendous advance to unity of the spiritual life of this country may be able to get in contact with those who have a warm and close attachment to the religion of their fathers and by mutual concession and good will reach a conclusion that will make possible the attainment of a great ideal, and at the same time recognize a conviction of many people that stirs them to their very depths.

"In accordance with the request of the member for Dufferin, the bill is withdrawn. I shall so request the Clerk to report to the House."

The Chairman further referred to alternative amendments which had for their general purpose the uniting of the Methodist and Congregational Churches on the principles set out in the original Bill, while leaving to the Presbyterian Church the right of the individual congregations to decide by a vote of its members to come into the union. It was promised that copies of these amendments would also be made available to members of the House.

The Committee then turned to the consideration of other Bills standing on the agenda for the current meeting.

Bill (No. 170), *An Act respecting the Consumers' Gas Company of Toronto.*

Mr. Norman Tilly, K.C., appeared as counsel for the Gas Company, Mr. Reginald Geary as counsel for the City of Toronto.

After considerable discussion, it was regularly moved and seconded, That the Bill be reported *lost*.

Bill (No. 40), *An Act respecting the Town of Ford City.*

This Bill was further considered by the Committee and amendments were agreed upon between the opposite sides. Regularly moved and seconded, That the Bill be reported *with certain amendments*.

The Committee adjourned at 12.45 p.m.

“W. F. NICKLE.”

Mr. Nickle, from the Standing Committee on Private Bills, presented their Twelfth Report which was read as follows and adopted.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 21), *An Act respecting the City of Sault Ste. Marie.*

Bill (No. 30), *An Act respecting the Town of New Toronto.*

Bill (No. 40), *An Act respecting the Town of Ford City.*

Bill (No. 54), *An Act respecting the Township of East York.*

Bill (No. 106), *An Act respecting the Township of York.*

Bill (No. 141), *An Act respecting the City of Toronto.*

Bill (No. 145), *An Act respecting the Township of Tisdale.*

Bill (No. 169), *An Act respecting the City of Toronto.*

Your Committee beg to report the following Bills without amendment:—

Bill (No. 33), An Act to authorize Joseph P. Savage to practise Medicine, Surgery and Midwifery.

Bill (No. 153), An Act respecting the Black Eagle Gold Mining Company, Limited.

Bill (No. 171), An Act respecting the Township of Cornwall.

Bill (No. 191), An Act to validate certain debentures of the Essex Border Utilities Commission.

Your Committee would recommend that the fees less the actual cost of printing be remitted on Bills (No. 17), "An Act respecting the City of Kitchener"; (No. 22), "An Act respecting the Town of Waterloo"; (No. 47), "An Act to dissolve the Benmiller Consolidated School Section"; (No. 41), "An Act respecting the Roman Catholic Separate School supporters of Ward No. 6 of the Town of Eastview"; (No. 85), "An Act to enable the Town of Brampton to withdraw from the jurisdiction of the County Council of the County of Peel"; (No. 96), "An Act respecting the Township of Rochester"; (No. 126), "An Act respecting the Township of Toronto"; (No. 172), "An Act respecting the City of Galt," the same having been withdrawn by the promoters thereof.

Mr. McKeown, from the Standing Committee on Municipal Law, presented their Fifth Report which was read as follows and adopted:

Your Committee have carefully considered the following Bills and beg to report the same with certain amendments:—

Bill (No. 129), An Act to amend the Ditches and Watercourses Act.

Bill (No. 180), An Act to amend the Cemetery Act.

Ordered, That the fees, less the actual cost of printing, be remitted on the following Bills:—Bill (No. 17), Respecting the City of Kitchener; Bill (No. 22), Respecting the Town of Waterloo; Bill (No. 47), Respecting the Benmiller School Section; Bill (No. 41), Respecting the Roman Catholic Separate School supporters of Eastview; Bill (No. 85), Respecting the Town of Brampton; Bill (No. 96), Respecting the Township of Rochester; Bill (No. 126), Respecting the Township of Toronto; and Bill (No. 172), Respecting the City of Galt.

The following Bill was introduced and read the first time:—

Bill (No. 230), intituled "An Act to amend the Legislative Assembly Act."
Mr. Ferguson.

Ordered, That the Bill be read the second time To-morrow.

The following Bills were severally read the third time and passed:—

Bill (No. 93), To encourage the Mining of Iron Ore.

Bill (No. 164), Respecting the granting of Bonuses by Municipal Corporations.

Bill (No. 208), The Hotels Act, 1924.

Bill (No. 59), Respecting the Railroad and City Y.M.C.A. of the City of St. Thomas.

Bill (No. 49), Respecting the Town of Mount Forest.

Bill (No. 79), To repeal the Municipal Tax Exemption Act, 1920.

Bill (No. 177), To amend the Highway Traffic Act, 1923.

Bill (No. 81), To amend the Consolidated Essex Border Utilities Act.

Bill (No. 9), Respecting the Town of North Bay

Bill (No. 13), Respecting the Town of Sioux Lookout.

Bill (No. 20), Respecting the Village of Point Edward.

Bill (No. 23), Respecting the City of Kingston.

The following Bill was read the second time:—

Bill (No. 215), To amend the Rural Hydro-Electric Distribution Act, 1921.

Referred to a Committee of the Whole House To-morrow.

The Order of the Day for the second reading of Bill (No. 214), To amend the Judicature Act, having been read,

Mr. Nickle moved,

That the Bill be now read the second time.

And the question, having been put, was carried on the following division:—

YEAS.

| | | | |
|--------------|---------------|-------------|-----------------|
| Acres. | Fallis. | McBrien. | Spence. |
| Armstrong. | Ferguson. | McCausland. | Stedman. |
| Beck. | Finlayson. | McKnight. | Stuart. |
| Belford. | Garden. | Mahony. | Thompson. |
| Berry. | Gray. | Mark. | (Lanark) |
| Black. | Graves. | Martin. | Vaughan |
| Bradburn. | Hambly. | Monteith. | Weichel. |
| Carr | Haney. | Morel. | Wigle. |
| Chambers. | Harcourt. | Nesbitt. | Wilson. |
| (Wellington) | Hill. | Nickle. | (Windsor) |
| Clarke. | Ireland. | Oakley. | Willson. |
| (Brockville) | Jamieson. | Owens. | (Niagara Falls) |
| Cooke. | (Simcoe) | Patterson. | Wright—54. |
| Currie. | Johnston. | Price. | |
| Ecclestone. | Kennedy. | Rankin. | |
| Elliott. | (Temiskaming) | Rowe. | |

NAYS.

| | | | |
|------------------|-------------|-----------|----------------|
| Belanger. | Doherty. | Mageau. | Sinclair. |
| Carty. | Fisher. | Proulx. | Tellier. |
| Clarke. | Kemp. | Raney. | Widdifield—14. |
| (Northumberland) | Lethbridge. | Sangster. | |

PAIRS.

Keith.....Mewhinney

The Bill was then read the second time and referred to a Committee of the Whole House To-morrow.

The House resolved itself into a Committee to consider Bill (No. 218), Respecting the Sale of Securities, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 225), Respecting certain Debentures of the Township of Whitney, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 229), The Immigrant Children's Protection Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 203), To encourage the Destroying of Wolves, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House resolved itself into a Committee to consider Bill (No. 227), Respecting the Hydro-Electric Power Commission of Ontario and certain Companies and Corporations, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-morrow.

The House again resolved itself into a Committee to consider Bill (No. 190), To amend the Power Commission Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Rankin reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-morrow.

The Order of the Day for the House to resolve itself into a Committee of the Whole to consider Bill (No. 198), Respecting certain Debentures of the Township of Whitney, having been read,

Ordered, That the Order be discharged, and that the Bill be withdrawn.

The House then adjourned at 11.25 p.m.

Friday, April 11th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Nickle, from the Standing Committee on Private Bills, presented their Thirteenth Report, which was read as follows and adopted:—

Your Committee beg to report the following Bill with certain amendments:—

Bill (No. 185), An Act to amend the Pharmacy Act.

Mr. Finlayson, from the Standing Committee on Legal Bills, presented their Third Report, which was read as follows and adopted:—

Your Committee have carefully considered the following Bills and report the same without amendment:—

Bill (No. 205), To amend the Ontario Land Surveyors Act.

Bill (No. 206), To amend the Surveyors Act, 1920.

Mr. McKeown, from the Standing Committee on Municipal Law, presented their Sixth Report, which was read as follows and adopted:—

Your Committee have carefully considered Bills Numbers 72, 89, 92, 98, 116, 127, 131, 133, 142, 143, 155, 160, 161, 162, 168, 178, 196, to amend the Consolidated Municipal Act, 1922, and such of their provisions as have been approved of have been embodied in a Bill intituled "The Municipal Amendment Act, 1924."

Your Committee have also carefully considered Bills Numbers 115, 117, 128, 179, 181, 189, 228, to amend the Assessment Act and such of their provisions as have been approved of have been embodied in a Bill intituled "The Assessment Amendment Act, 1924."

Your Committee further report that it has carefully considered Bills Numbers 80, 147, 149, 152, and 181, to amend the Assessment Act, and Bills Numbers 39 and 151, to amend the Local Improvement Act, and would recommend that they be referred to the Statute Revision Commission, to be hereafter appointed, for further consideration and report thereon.

The following Bill was introduced and read the first time:—

Bill (No. 231), intituled "The Municipal Amendment Act, 1924." *Mr. McKeown.*

Ordered, That the Bill be read the second time forthwith.

The Bill was then read the second time and referred to a Committee of the Whole House To-day.

The following Bill was then introduced and read the first time:—

Bill (No. 232), intituled "The Assessment Amendment Act, 1924." *Mr. McKeown.*

Ordered, That the Bill be read the second time forthwith.

The Bill was then read the second time and referred to a Committee of the Whole House To-day.

The following Bill was introduced and read the first time:—

Bill (No. 233), intituled "An Act respecting School Accommodation for School Section No. 17, Westminster." *Mr. Ferguson.*

Ordered, That the Bill be read the second time forthwith.

The Bill was then read the second time and referred to a Committee of the Whole House To-day.

The following Bills were severally read the second time:—

Bill (No. 7), Respecting the Town of Goderich.

Referred to a Committee of the Whole House To-day.

Bill (No. 16), Respecting the Town of Oakville.

Referred to a Committee of the Whole House To-day.

Bill (No. 87), Respecting the City of Fort William.

Referred to a Committee of the Whole House To-day.

Bill (No. 32), To consolidate the Floating Debt of the Town of Georgetown.

Referred to a Committee of the Whole House To-day.

Bill (No. 84), Respecting the City of Niagara Falls.

Referred to a Committee of the Whole House To-day.

Bill (No. 146), To incorporate the St. Catharines General Hospital.

Referred to a Committee of the Whole House To-day.

Bill (No. 204), Respecting the City of St. Catharines.

Referred to a Committee of the Whole House To-day.

Bill (No. 153), Respecting the Black Eagle Gold Mining Company, Limited.

Referred to a Committee of the Whole House To-day.

Bill (No. 171), Respecting the Township of Cornwall.

Referred to a Committee of the Whole House To-day.

Bill (No. 191), To validate certain Debentures of the Essex Border Utilities Commission.

Referred to a Committee of the Whole House To-day.

Bill (No. 230), To amend the Legislative Assembly Act.

Referred to a Committee of the Whole House To-day.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 42), To confirm By-law No. 658 of the Village of Point Edward.

Bill (No. 173), Respecting the Town of Trenton.

Bill (No. 175), Respecting the City of Belleville.

Bill (No. 8), To authorize the Law Society of Upper Canada to admit Donald John Livingstone as a Student-at-Law.

Bill (No. 6), Respecting the Town of Goderich.

Bill (No. 16), Respecting the Town of Oakville.

Bill (No. 87), Respecting the City of Fort William.

Bill (No. 32), To consolidate the Floating Debt of the Town of Georgetown.

Bill (No. 84), Respecting the City of Niagara Falls.

Bill (No. 146), To incorporate the St. Catharines General Hospital.

Bill (No. 204), Respecting the City of St. Catharines.

Bill (No. 153), Respecting the Black Eagle Gold Mining Company, Limited.

Bill (No. 171), Respecting the Township of Cornwall.

Bill (No. 191), To validate certain Debentures of the Essex Border Utilities Commission.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without amendments.

Ordered, That the Bills reported, be severally read the third time on Monday next.

On motion of Mr. Raney, seconded by Mr. Lethbridge,

Ordered, That there be laid before this House, a Return of the following papers:—1. Agreement made in 1918 between the Government of Ontario and J. J. Carrick for extension of time to build mills under leases of Pic River and Black Sturgeon River Pulp Limits. 2. Copies of all subsequent agreements with reference to the said limits or mills between the Government of Ontario and the Hydro-Electric Power Commission of Ontario and the Great Lakes Paper Company. 3. Copy of reasons of Hon. Mr. Justice Rose in the action of Attorney-General *versus* Great Lakes Paper Company. 4. Copies of all correspondence on the files of the Government or on the files of the Hydro-Electric Power Commission in the said matters subsequent to the return to this Assembly made permanent to an Order of the House of the 12th of March, 1920. 5. Copy of the report of the Hydro-Electric Commission of Enquiry on the Nipigon Power Development.

On motion of Mr. Raney, seconded by Mr. Lethbridge,

Ordered, That there be laid before this House, a Return, down to the date thereof, of:—(a) All correspondence between the Government or any Member thereof and any person, or organization, favouring the submission to the electors of Ontario of a plebiscite, or referendum, on the Ontario Temperance Act or the liquor question and all resolutions or petitions received by the Government or any Member thereof favouring such a submission, and (b) all correspondence between the Government or any Member thereof and any person or organization opposing such a submission.

On motion of Mr. Raney, seconded by Mr. Lethbridge,

Ordered, That there be laid before this House, a Return, showing in detail (by Counties) the estates from which succession duties came in the fiscal year ending the 31st October, 1923.

On motion of Mr. Raney, seconded by Mr. Lethbridge,

Ordered, That there be laid before this House, a Return of all contracts between the Treasury Department and the Provincial Securities Company or the Browning and Harris Company of Hamilton for the purchase of outstanding bonds of the Province of Ontario.

The House resolved itself into a Committee to consider Bill (No. 215), To amend the Rural Hydro-Electric Distribution Act, 1921, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 214), To amend the Judicature Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Monday next.

The House resolved itself into a Committee to consider Bill (No. 63), To amend the School Laws, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time on Monday next.

The House then adjourned at 5.30 p.m.

Monday, April 14th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

Mr. Finlayson, from the Standing Committee on Public Accounts, presented the following as an interim report, which was read and adopted:—

Your Committee has had produced before it certain accounts, vouchers, correspondence and particulars in connection with the Public Accounts of the Province of Ontario for the fiscal year ending the 31st day of October, 1923, and during the course of the examination of the said accounts,

It was moved by Mr. Sinclair and seconded by Mr. Fisher,

“That the Honourable Peter Smith be summoned before this Committee on Friday, the 11th day of April, 1924, to give evidence regarding commissions paid on Provincial deposits in the Home Bank and also regarding commissions paid on the sales of Provincial securities, and to produce before the Committee all books and documents in any way relating to such transactions.”

That, in pursuance of said summons, the Honourable Peter Smith appeared before the Committee on Monday, the 14th day of April, 1924, when he was called as a witness before the Committee, and on being ordered to take the oath, as such witness, he stated to the Committee that he refused to give evidence, on the advice of counsel.

All of which is respectfully submitted.

Mr. Currie, from the Standing Committee on Printing, presented their Second Report, which was read as follows:—

The Committee held its second meeting on Wednesday, April 9th, at two o'clock, in the office of the King's Printer, with the following members present:

J. A. Currie (Chairman), Hon. Dr. Carr, Messrs. Freeborn, Fallis, Gray, MacBride, Proulx, Thompson (Lanark), and Willson (Niagara Falls).

The Committee ordered printing of departmental reports and sessional papers in the quantities named below, and in cases where printing has been done for this year gave authority therefor:—

| <i>Publication or Report.</i> | <i>Quantity.</i> |
|--|------------------|
| 1. The Public Accounts | 2,800 |
| 2. The Estimates | 2,800 |
| 3. Report of Lands, Forests and Mines Department | 1,500 |
| 4. Report of the Bureau of Mines | 3,500 |
| 5. Report, Inspector of Division Courts | 700 |
| 6. Report of the Inspector of Legal Offices | 700 |
| 7. Report of the Inspector, Registry Offices | 700 |
| 8. Report of the Municipal Auditor | 700 |
| 9. Report of Queen Victoria Park Commission ..... | ..... |
| 10. Report of the Inspector of Insurance | 700 |
| 11. Report of the Registrar of Friendly Societies | 700 |
| 12. Registrar of Loan Corporations, Report ..... | ..... |
| 13. Report of Department of Public Works | 700 |
| 14. Report of Game and Fisheries Branch | 2,000 |
| 15. Report on Highway Improvement | 700 |
| 16. Report of the Bureau of Labour | 700 |
| (Subject to discretion of Editorial Committee when appointed.) | |
| 17. Report of the Department of Education | 1,500 |
| 18. Report of the University of Toronto | 1,200 |
| 19. Report of the Secretary and Registrar ..... | ..... |
| 20. Report of the Registrar-General | 2,500 |
| 21. Report of Provincial Board of Health | 5,000 |
| 22. Report on Hospitals for the Insane | 700 |
| 23. Report on Hospitals for Idiotic and Epileptic | 700 |
| 24. Report of Ontario Board of Parole | 700 |
| 25. Report of Inspector, Hospitals and Charities | 1,300 |
| 26. Report of Inspector, Common Gaols and Prisons | 700 |
| 27. Report of Neglected and Dependent Children ..... | ..... |
| 28. Report on Operation of Liquor License Act ..... | ..... |
| 29. Report of the Minister of Agriculture | 2,500 |
| 30. Report of Ontario Agricultural College | 2,500 |
| 31. Report of Ontario Experimental Union. Referred to Editorial Committee for conference with Department and decision accordingly. | |
| 32. Report of Vegetable Growers' Association | 700 |
| 33. Report Entomological Society | 4,000 |
| 34. Report Beekeepers' Association | 4,000 |
| 35. Report of Dairymen's Associations | 6,000 |
| 36. Report of Live Stock Branch | 5,000 |
| 37. Report of Housing Commission | 1,200 |
| (And thereafter to be discontinued.) | |
| 38. Report of Women's Institutes | 25,000 |
| 39. Report of Agricultural Societies | 5,000 |
| 40. Report of Horticultural Societies | 31,000 |

| <i>Publication or Report.</i> | <i>Quantity.</i> |
|---|------------------|
| 41. Report of Fruit Growers' Association..... | 5,000 |
| 42. Report, Bureau of Municipal Affairs..... | 1,200 |
| 43. .... | ..... |
| 44. Report, T. & N. O. Railway Commission..... | 1,200 |
| 45. Report, Hydro-Electric Power Commission..... | 5,500 |
| 46. Report, Railway and Municipal Board..... | ..... |
| 47. Return from Records <i>re</i> Elections..... | 1,500 |
| 48. Report, Provincial Archivist..... | ..... |
| 49. Report on State of Library..... | ..... |
| 50. Report of Provincial Auditor..... | 1,100 |
| 51. Report, Workmen's Compensation Board..... | 700 |
| 52. Report, Ontario Veterinary College..... | 700 |
| 53. Report of Probation Officer..... | 1,500 |
| 54. Regulations, Orders-in-Council and Acts relating to Public Separate and High Schools—"Special," as required. | |
| 55. Statement of Legislative Grants to Rural Public and Separ- ate Schools—"Special," as required. | |
| 56. Report of Public Service Superannuation Board..... | ..... |
| 57. Report of Commissioner, Provincial Police..... | 700 |
| 58. Report of Agricultural Development Board..... | 3,000 |
| 59. Statement and Report, Ontario Athletic Commission..... | ..... |
| 60. Report, Commissioner under Extra-Mural Employment of Sentenced Persons Act..... | 1,300 |
| 61. Report of Mining Industry, T. & N. O..... | 2,000 |
| 62. Hydro-Electric Inquiry Commission (Gregory Report). The Committee authorized publication of the summary presented to the House by the Prime Minister, together with the proposed reply of the Ontario Hydro-Electric Power Commission when such is ready. Printing of any further part of the report was deferred. | |
| 63. Return, J. G. Ramsden Correspondence..... | ..... |
| 64. Report, Public Highways..... | ..... |
| 65. Report, Mothers' Allowance Board..... | 700 |
| 66. Report, Civil Service Commissioner..... | ..... |
| 67. Report, Distribution Revised Statutes..... | ..... |
| 68. Return of Correspondence, Inspectors O.T.A..... | ..... |
| 69. Return of Correspondence, A. E. Browning..... | ..... |
| 70. Return <i>re</i> Home Bank..... | ..... |
| Report, Provincial Fire Marshal..... | 1,000 |

The Committee again considered the matter of a standardized weight of paper for reports, etc., and examined samples submitted by the King's Printer. It was moved by Mr. MacBride, seconded by Mr. Gray, and carried:—

"That paper of 30-pound capacity be used where no illustrations are required, and 40-pound paper where illustrations are used."

It was moved by Hon. Dr. Carr, seconded by Mr. Gray, and carried:—

“That this Committee recommend that an Editorial Committee, with a permanent secretary, be appointed to supervise all Government printing.”

Resolved, That this House doth concur in the foregoing Report.

On motion of Mr. Haney, seconded by Mr. Vaughan,

Ordered, That the fees on Bill (No. 97), An Act to confirm By-law 1366 of the City of Sarnia, be remitted, the same having been withdrawn before first reading by the promoters thereof.

Mr. Carty asked the following Question:—

1. Did Hon. G. Howard Ferguson, when Minister of Lands, Forests and Mines, occupy private apartments in the Parliament Building. 2. If so, were the rooms occupied by him furnished. 3. If so, were the furniture and furnishings, or any part thereof, sold. 4. If any of them were sold, (a) what was sold, (b) by whom, (c) by whose authority, (d) when, (e) to whom, (f) what was the amount realized by the Province from the sale. 5. If the whole of such furniture and furnishings was not sold, where are the things that were not sold now. 6. If there are any such articles remaining unsold, why were they not sold at the auction sale of furniture and furnishings that was held by the Government on the 12th day of December last.

And the Premier replied as follows:—

1. Yes, at intervals. 2. Partially furnished. 3. Yes. 4. (a) All; (b) Portion by Housekeeper, remainder by auction; (c) Minister of Public Works and Executive Council; (d) and (e) October, 1919. Mr. Ferguson; drape and rug, \$240.00; remainder December, 1923, by auction to various persons; (f) Total, \$2,062.80 received for sale of furniture from Ministers' rooms. 5 and 6. Answered by 4.

Mr. Ross asked the following Question:—

1. Did Hon. Mr. Henry, Hon. Mr. McGarry, Hon. Mr. McPherson, Hon. Mr. Preston, Hon. Mr. MacDiarmid, Hon. Mr. Lucas, Hon. Mr. Duff, when members of the former Government of Ontario, occupy private apartments in the Parliament Building at Toronto, whilst they were Ministers of the Crown. 2. Did Mr. McKeown, when member of a former legislature, and whip of a former Government of Ontario, occupy such an apartment. 3. To the extent to which these questions are answered in the affirmative, (a) were such apartments furnished at the expense of the Province of Ontario; (b) have the furniture and furnishings of such apartments been sold; (c) if so, when and by whose authority, and to whom were they sold; (d) and what did they realize; (e) if

not sold, where are such furniture and furnishings now, and why were they not sold along with the furniture and furnishings that were sold by the Government at auction on the 12th day of December last.

And the Premier replied in the words following:—

1. Yes, at intervals from time to time with the exception of Honourable Mr. McPherson. 2. On a few occasions. 3. (a) Mr. Lucas furnished the room he occupied, Mr. Ferguson partially furnished the room he occupied; (b) yes; (c) December 12th, 1923, by authority of Executive Council to various purchasers at auction sale; (d) amount included in total of \$2,062.80 received by auctioneer; (e) in the Parliament Buildings; may be required for occasional use.

Mr. Raney asked the following Question:—

1. Did any member of the Government before the late election make a promise or statement to the effect that there would be a referendum or plebiscite on the liquor question, without making any qualification of his promise or statement other than the election of a Conservative Government. 2. If so, what member, or members, of the Government made such statements, or promises, and when and where.

To which the Premier replied as follows:—

1. No. 2. Answered by question No. 1.

Mr. Raney asked the following Question:—

1. What was (a) the amount, (b) the period, and (c) the rate of interest, of the succession duties free bonds of the Province of Ontario, issued each year beginning with the first issue. 2. Are these bonds free from all municipal and Provincial taxation. 3. What amount of these bonds has been redeemed each year since the first issue thereof. 4. What is the total amount of these bonds now outstanding.

And the Treasurer replied in the words and figures following:—

1. (a), (b) and (c).

| Date of Issue | Amount | Due Date | Rate of Interest | Amount Outstanding |
|---------------|-------------|---------------|------------------|--------------------|
| 1 July, 1906 | \$1,500,000 | 1 July, 1926 | 3½ per cent. | \$1,471,500 |
| 1 July, 1906 | 1,500,000 | 1 July, 1936 | 3½ " | |
| 1 June, 1909 | 3,500,000 | 1 June, 1939 | 4 " | 872,100 |
| 1 May, 1911 | 498,600 | 1 May, 1941 | 4 " | 345,000 |
| 1 Nov., 1911 | 3,000,000 | 1 Nov., 1941 | 4 " | 1,828,400 |
| 1 Oct., 1914 | 2,000,000 | 1 Oct., 1919 | 5 " | nil |
| 15 Apr., 1915 | 1,000,000 | 15 Apr., 1920 | 5 " | nil |
| 1 Jan., 1917 | 1,000,000 | 1 Jan., 1923 | 5 " | nil |
| | | | | <hr/> \$4,517,000 |

2. All the issues given are free from Provincial taxation. Regarding Municipal taxation, in 1908 the following Section was passed, but was repealed in 1915:—

“All bonds and inscribed stock and the interest thereon issued under the authority of the Act passed in the sixth year of His Majesty’s reign, chaptered 4, intituled An Act for raising Money on the Credit of the Consolidated Revenue Fund of Ontario, shall be free from all provincial taxes, succession duty, charges and impositions, and all monies invested in Ontario Government stock or debentures and the interest thereon shall be exempt from municipal taxation in this Province.” (See 8 Edward VII, Chap. 12, Sec. 10, and 5 Geo. V, Chap. 5, Sec. 4.)

- 3. 1919—\$1,996,000 of the 5% issue, October, 1919, redeemed.
- 1920—\$999,000 of the 5% issue, April, 1920, redeemed.
- 1921—\$4,000 of the 5% issue, October, 1919, redeemed.
- 1923—\$1,000,000 of the 5% issue, January, 1923, redeemed.
- \$1,000 of the 5% issue, April, 1920, redeemed.

4. Answered by No. 1.

Mr. Willson (Niagara Falls) asked the following Question:—

1. Were any agreements entered into by the late Government for the construction of any object lesson or other road in accordance with the provisions of section 18 of the Highways Improvement Act. 2. If so, (a) in what municipalities were such roads built; (b) what was the cost of each road; (c) what was the reason for the construction of each road. 3. (a) Was there any expenditure made on other than the central 20 feet of roadway; (b) if so, where.

To which the Premier replied in the words and figures following:—

1. Yes. 2. (a) See attached Schedule; (b) see attached Schedule. 3. Yes; 1 Oshawa, where the Province contributed towards the cost of a bridge which was built in conjunction with the pavement, and also in Brampton where a ridge and a retaining wall were built.

SCHEDULE OF GRANTS MADE BY THE PROVINCE UNDER SECTION 18 OF THE HIGHWAY IMPROVEMENT ACT.

| Municipality | Cost of 20-ft. Pavement | Amount of Grant |
|---------------|----------------------------|--------------------|
| Brampton..... | \$37,788 38 | \$14,099 00 |
| Cayuga..... | 2,790 99 | 2,100 00 |
| Cobourg..... | 89,419 34 | 35,769 34 |
| Grimsby..... | 24,447 71 | 9,379 08 |
| Trenton..... | 17,333 35 | 6,800 00 |
| Orillia..... | 52,187 88 | 20,875 15 |
| Oshawa..... | 26,340 37 | 10,536 15 |
| Paris..... | 10,779 00 | 4,311 60 |

| Municipality | Cost of 20-ft. Payment | Amount of Grant |
|------------------|---------------------------|--------------------|
| Pembroke..... | \$68,951 86 | \$24,500 00 |
| Rockland..... | 14,376 66 | 5,750 66 |
| Walkerton..... | 26,244 45 | 10,497 78 |
| Whitby..... | 86,110 93 | 34,439 42 |
| Blenheim..... | 29,851 44 | 11,940 58 |
| Dundas..... | 64,388 67 | 24,000 00 |
| Hagersville..... | 7,602 66 | 3,041 06 |
| Napanee..... | 50,127 66 | 21,000 00 |
| Bowmanville..... | 28,578 02 | 11,431 21 |
| Renfrew..... | 8,750 00 | 3,500 00 |
| Tilbury..... | 17,140 67 | 6,856 26 |
| Hawkesbury..... | 61,229 26 | 24,491 70 |
| Dunnville..... | 36,485 12 | 13,785 44 |
| Cornwall..... | 50,685 84 | 20,274 34 |
| Watford..... | 31,250 00 | 12,500 00 |

Mr. Lewis asked the following Question:—

1. What was the estimated cost of (a) Bloor Street Bridge; (b) Danforth Subway. 2. What is the cost to date in each case. 3. What will be the cost to complete in each case. 4. (a) Was all property required secured in advance of construction; (b) if not, why not. 5. (a) What is the estimated land damage in each case; (b) would these land damages have been less if all property had been secured in advance; (c) if so, how much.

And the Premier replied in the words and figures following:—

1. (a) \$442,000; (b) \$107,759, original estimate. 2. (a) \$176,092; (b) portion of work being done by railway company and costs are not available. 3. (a) \$327,000; (b) see answer to 2 (b). 4. (a) No; (b) work decided upon before property purchase could be made. 5. (a) Not finally settled; paid to date, \$66,120, but not finally settled; (b) yes; (c) cannot estimate.

Mr. Pinard asked the following Question:—

1. What is the total number of industrial and other accidents reported as having been caused by belts of all kinds in 1923. 2. What is the total amount paid for such accidents by the Workmen's Compensation Board. 3. What (a) the number of accidents reported resulting in temporary disability; (b) the total compensation paid for same. 4. What is (a) the number of accidents resulting in permanent partial disability; (b) the total compensation paid for same. 5. What is (a) the number of accidents resulting in permanent total disability; (b) the total compensation paid for same. 6. What is the total amount of the contributions paid by employers in respect of each class of accident mentioned in questions 2, 3, 4, and 5.

And the Attorney-General replied in the words and figures following:—

It is impossible at the present time to answer this question for the year 1923 as the information is not yet complete. The following answers give the information insofar as the year 1922 is concerned:—1. The total number of industrial and other accidents reported to the Workmen's Compensation Board in the industries covered by Schedule 1 of the Act) as having been caused by belts of all kinds in 1922 is 409. 2. The total cost of such accidents was \$120,574.32. 3. (a) The number of these accidents resulting in temporary disability was 214; (b) the total cost of these accidents was \$14,600.49, of which \$10,442.74 was compensation and \$4,157.75 medical aid. 4. (a) The number of accidents resulting in permanent disability was 36; (b) the total cost of these accidents was \$73,302.98 of which \$66,527.69 was compensation and \$6,775.29 was medical aid. 5. Permanent total disability accidents have not been separately tabulated, but there were 6 death cases costing \$31,713.25, and there were 153 cases not causing as much as seven days' disability and so involving no compensation but requiring medical attendance, which cost \$957.60. The whole amount of accident cost above mentioned was contributed by the employers.

Mr. Raney asked the following Question:—

1. Why do the Public Accounts for the last fiscal year not show in detail the estates from which succession duties came in that year, as required by Order of the House of the 14th of March, 1923 (Journals of the Legislative Assembly, Vol. 57, Page 212). 2. Is it the intention of the Government to ask the House to revoke that Order.

And the Provincial Treasurer replied as follows:—

1. To save expense. 2. The House may have this information if it so desires.

Mr. Ireland asked the following Question:—

1. What is the standard width of pavement of Provincial Highways. 2. (a) Have pavements of greater width than the standard been laid by the Province cities, towns, or other municipalities; (b) if so, where; (c) what are the lengths and widths of such sections; (d) what was the cost in each case of the excess over the standard width. 3. In what cases, and to what extent in each case, have the cities, towns, or other municipalities, within which the pavements are situated, agreed to contribute towards the cost of extra paving.

To which the Premier replied as follows:—

1. Eighteen feet and twenty feet. 2. (a) Yes; (b) see attached Schedule; (c) see attached Schedule; (d) see attached Schedule. 3. See attached Schedule.

| Municipality | Length Feet | Width Feet | Cost in Excess of 20 feet Pavement | Amount Municipalities Contribute |
|----------------------|----------------|---|--|--|
| Whitby..... | 1,072 | 28 | ..... | (2) |
| "..... | 322 | 28 | ..... | (2) |
| Bowmanville..... | 655 | 26 | ..... | (2) |
| "..... | 330 | 22 | \$283 62 | None |
| Trenton..... | 575 | 30 | ..... | (2) |
| "..... | 1,341.4 | 30 | ..... | (2) |
| Brantford..... | 2,870 | 30, half of which is in city..... | 5,818 15 | \$926 33 |
| London..... | 2,662 | 25 | 7,472 56 | (1) |
| Grimsby..... | 2,881 | 24, including gutters.... | 3,104 56 | 3,104 56 |
| Waterdown..... | 1,071.7 | 28 | } 11,445 62 | None |
| "..... | 303.8 | 24 | | |
| "..... | 512.6 | 40 | | |
| "..... | 1,059.9 | 24 | | |
| Hamilton..... | 41.00 | 30 | ..... | ..... |
| (North Entrance).... | 78.75 | 40 | 808 61 | (1) |
| Orillia..... | 440.0 | 24 | 974 59 | None |
| Dundas..... | 873.2 | 26 | } 9,619 79 | None |
| "..... | 264.0 | 24 | | |
| "..... | 925.0 | 24 | | |
| "..... | 415.0 | 30 | | |
| "..... | 1,015.0 | 24 | | |

NOTE—(1) The additional cost of paving is charged against the municipalities under Section 11 of the Provincial Highway Act.

(2) The municipalities paid the contractors directly for the additional paving.

Mr. Sewell asked the following Question:—

1. What, if any, issues of debentures or treasury bills were sold by the Province to or through the Home Bank of Canada or any official thereof during the four fiscal years respectively ending with the 31st of October, 1918. 2. What, in each case, was the amount of the loan, the rate of interest and the price paid to the Province. 3. Were such loans, or any of them, by public tender.

And the Provincial Treasurer replied in the words and figures following:—
1 and 2.

| Series | Amount of Loan | Rate of Interest | Date of Issue | Price paid to Province |
|--------|--------------------------------|---------------------|------------------|---------------------------|
| "T" | \$2,000,000 (Treasury Bill) | 6% | 18 Oct., 1917 | 100 |
| "W" | \$3,000,000 (Treasury Bill) | 6% | 22 Oct., 1918 | 100 |

3. No.

On motion of Mr. Bragg, seconded by Mr. Mewhinney,

Ordered, That there be laid before the House, a Return showing the total number of permanent and temporary civil servants on July 15th, 1923, in the pay of the Province. How many have since resigned. How many have since been dismissed or have requested to resign. How many permanent and temporary civil servants have been appointed since said date.

The following Bills were severally read the second time:—

Bill (No. 21), Respecting the City of Sault Ste. Marie.

Referred to a Committee of the Whole House To-day.

Bill (No. 30), Respecting the Town of New Toronto.

Referred to a Committee of the Whole House To-day.

Bill (No. 40), Respecting the Town of Ford City.

Referred to a Committee of the Whole House To-day.

Bill (No. 54), Respecting the Town of East York.

Referred to a Committee of the Whole House To-day.

Bill (No. 106), Respecting the Township of York.

Referred to a Committee of the Whole House To-day.

Bill (No. 141), Respecting the City of Toronto.

Referred to a Committee of the Whole House To-day.

Bill (No. 145), Respecting the Township of Tisdale.

Referred to a Committee of the Whole House To-day.

Bill (No. 169), Respecting the City of Toronto.

Referred to a Committee of the Whole House To-day.

Bill (No. 33), To authorize Joseph P. Savage to practise Medicine, Surgery and Midwifery.

Referred to a Committee of the Whole House To-day.

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 21), Respecting the City of Sault Ste. Marie.

Bill (No. 30), Respecting the Town of New Toronto.

Bill (No. 40), Respecting the Town of Ford City.

Bill (No. 54), Respecting the Town of East York.

Bill (No. 106), Respecting the Township of York.

Bill (No. 141), Respecting the City of Toronto.

Bill (No. 145), Respecting the Township of Tisdale.

Bill (No. 169), Respecting the City of Toronto.

Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the several Bills without amendment.

Ordered, That the Bills reported, be severally read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 33), To authorize Joseph P. Savage to practice Medicine, Surgery and Midwifery, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 129), To amend the Ditches and Watercourses Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 180), To amend the Cemetery Act, and, after some time spent therein, Mr. Speaker

resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 185), To amend the Pharmacy Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 205), To amend the Ontario Land Surveyors Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 206), To amend the Surveyors Act, 1920, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 231), The Municipal Amendment Act, 1924, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 232), The Assessment Amendment Act, 1924, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 211), Respecting Street Railway Fares under Special Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 226), Respecting the Taxation of Land in Unorganized Territory, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill with certain amendments.

Ordered, That the amendments be taken into consideration forthwith.

The amendments, having been read the second time, were agreed to.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 230), To amend the Legislative Assembly Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The House resolved itself into a Committee to consider Bill (No. 233), Respecting School Accommodation for School Section No. 17, Westminster

and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had directed him to report the Bill without any amendment.

Ordered, That the Bill be read the third time To-day.

The Order of the Day for the third reading of Bill (No. 74), Licensing and Regulating Dealers in Unwrought Metals, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 73), To amend the University Act, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 209), The Landlord and Tenant Act, 1924, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 222), To amend the Game and Fisheries Act, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 223), To validate Title to certain Mining Lands and Mining Rights, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 216), Respecting the Registration of Brokers, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 190), To amend the Power Commission Act, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 218), Respecting the Sale of Securities, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Grey) reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 227), Respecting the Hydro-Electric Power Commission of Ontario and certain Companies and Corporations, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Gre reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 171), Respecting the Township of Cornwall, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Gre reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The Order of the Day for the third reading of Bill (No. 215), To amend the Rural Hydro-Electric Distribution Act, 1921, having been read,

Ordered, That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The House accordingly resolved itself into the Committee; and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Jamieson (Gre reported, That the Committee had amended the Bill as directed.

Ordered, That the Bill be read the third time forthwith.

The Bill was then read the third time, and passed.

The following Bills were severally read the third time and passed:—

Bill (No. 183), To amend the Ontario Companies Act.

Bill (No. 192), Respecting the Hydro-Electric Railway Act, 1919, and the Contract set out in Schedule "A" of said Act.

Bill (No. 200), To amend the Ontario Temperance Act.

Bill (No. 219), Respecting Highways.

Bill (No. 220), To amend the Hospitals for the Insane Act.

Bill (No. 212), To establish the Mining Court of Ontario.

Bill (No. 217), The Ontario Companies Amendment Act, 1924.

Bill (No. 207), For the settlement of certain questions between the Governments of Canada and Ontario respecting Indian Reserve Lands.

Bill (No. 221), To amend the Natural Gas Conservation Act, 1922.

Bill (No. 225), Respecting certain Debentures of the Township of Whitney.

Bill (No. 229), The Immigrant Children's Protection Act.

Bill (No. 203), To encourage the Destroying of Wolves.

Bill (No. 42), To confirm By-law No. 658 of the Village of Point Edward.

Bill (No. 173), Respecting the Town of Trenton.

Bill (No. 175), Respecting the City of Belleville.

Bill (No. 8), To authorize the Law Society of Upper Canada to admit Donald John Livingstone as a Student-at-Law.

Bill (No. 6), Respecting the Town of Goderich.

Bill (No. 16), Respecting the Town of Oakville.

Bill (No. 87), Respecting the City of Fort William.

Bill (No. 32), To consolidate the Floating Debt of the Town of Georgetown.

Bill (No. 84), Respecting the City of Niagara Falls.

Bill (No. 146), To incorporate the St. Catharines General Hospital.

Bill (No. 204), Respecting the City of St. Catharines.

Bill (No. 153), Respecting the Black Eagle Gold Mining Company, Limited.

Bill (No. 191), To validate certain Debentures of the Essex Border Utilities Commission.

Bill (No. 214), To amend the Judicature Act.

Bill (No. 63), To amend the School Laws.

Bill (No. 21), Respecting the City of Sault Ste. Marie.

Bill (No. 30), Respecting the Town of New Toronto.

Bill (No. 40), Respecting the Town of Ford City.

Bill (No. 54), Respecting the Town of East York.

Bill (No. 106), Respecting the Township of York.

Bill (No. 141), Respecting the City of Toronto.

Bill (No. 145), Respecting the Township of Tisdale.

Bill (No. 169), Respecting the City of Toronto.

Bill (No. 33), To authorize Joseph P. Savage to practice Medicine, Surgery and Midwifery.

Bill (No. 129), To amend the Ditches and Watercourses Act.

Bill (No. 180), To amend the Cemetery Act.

Bill (No. 185), To amend the Pharmacy Act.

Bill (No. 205), To amend the Ontario Land Surveyors Act.

Bill (No. 206), To amend the Surveyors Act, 1920.

Bill (No. 231), The Municipal Amendment Act, 1924.

Bill (No. 232), The Assessment Amendment Act, 1924.

Bill (No. 211), Respecting Street Railway Fares under Special Acts.

Bill (No. 226), Respecting the Taxation of Land in Unorganized Territories.

Bill (No. 230), To amend the Legislative Assembly Act.

Bill (No. 233), Respecting School Accommodation for School Section No. 1 Westminister.

On motion of Mr. Heenan, seconded by Mr. Callan,

Resolved, That in the judgment of this House, as a general principle and subject to reasonable exceptions, including farm labour, the working hours of persons employed in public and private industrial undertakings ought not to exceed eight (8) hours in the day and forty-eight (48) hours in the week, but to recognize, that until such eight-hour day becomes of general application, it

adoption in Ontario would make this Province the victim of unfair competition from such countries as have not an eight-hour law in force.

On motion of Mr. Heenan, seconded by Mr. Callan,

Resolved, That it is the opinion of this House a clause shall be inserted in all contracts made by the Government for the sale of timber, or pulpwood, or for the development of water-powers, providing that the wages to be paid by the Concessionaire shall be not less than the wages as are generally accepted as current in each trade for competent workmen in the district where the work is carried out. And when renewals or transfers are made or where the terms embodied in contracts now in existence are not fulfilled, the Government shall avail itself of the opportunity to insert such a clause, insofar as due regard to vested rights and justice may permit.

On motion of Mr. Wallis, seconded by Mr. Mewhinney,

Ordered, That there be laid before this House, a Return of copies of all correspondence in connection with the closing and opening of Whitefish Bay in the North Channel opposite Little Current during the last ten years. 2. Also, copy of the Order-in-Council passed by the late Government dealing with this matter.

Mr. Wallis moved, seconded by Mr. Mewhinney,

That in view of the large area thinly settled in Northern Ontario it is impossible to give the settlers proper medical attention, many untimely deaths being the result. This House urges, therefore, that immediate action be taken to provide proper hospital facilities to deal with the situation.

And a Debate having ensued, the motion was, by leave of the House, withdrawn.

On motion of Mr. Ferguson, seconded by Mr. McCrea,

Ordered, That the full Sessional Indemnity be paid to those Members, absent through illness or other unavoidable cause.

On motion of Mr. Ferguson, seconded by Mr. Nickle,

Ordered, That when the House adjourns To-day, it do stand adjourned until three of the clock in the afternoon of Thursday next, the 17th day of April instant.

The House then adjourned at 6.10 p.m.

Thursday, April 17th, 1924.

PRAYERS.

3.00 O'CLOCK P.M.

On motion of Mr. Nickle, seconded by Mr. Price,

Ordered, That the fees, less the actual cost of printing, be remitted on Bill (No. 29), To enable the Town of Dundas to withdraw from the jurisdiction of the county council of the County of Wentworth; (No. 38), Respecting the practice of Horseshoeing; (No. 86), To incorporate a part of the Township of Scarborough as the Township of North Scarborough; (No. 140), Respecting The Ontario Asphalt Block Company, Limited; and (No. 170), Respecting The Consumers' Gas Company of Toronto, the same having been withdrawn by the promoters thereof.

On motion of Mr. Martin, seconded by Mr. Ferguson, it was

Ordered, That a Committee of this House, to be composed of Messrs. Jamieson (Grey), Thompson (Lanark), Trewartha, Black, Keith, MacBride, Belanger and Lethbridge, be appointed to enquire into and study all matters concerning the social, educational and economic conditions surrounding the agricultural, livestock and dairying industries of the Province in all their various branches and phases, including the production, improvement, packaging, standardizing, shipment, transportation, marketing and other methods of advantageously handling the products of those industries, and all other aspects of the subject requiring investigation and attention; and that the said Committee be instructed to gather all information it may deem essential or useful to enable the Government to prepare plans and methods looking toward the betterment of existing conditions, both in the interest of the producer and the consumer, and for the more effectual co-operation between the urban and rural populations, for the progress and stability of these great basic industries, as well as the general prosperity of the Province. That the said Committee have power to sit during the Recess, to engage necessary assistance and report to the Legislature.

Mr. Finlayson, from the Standing Committee on Public Accounts, presented their Report, which was read. (*Appendix No. 2.*)

On motion of Mr. Finlayson, the Report was adopted.

The Provincial Secretary presented to the House, by command of His Honour the Administrator of the Government:—

Report of the Department of Lands and Forests for the year ending 31st October, 1923. (*Sessional Papers, No. 3.*)

Also—Report of the Provincial Municipal Auditor for the year 1923. (*Sessional Papers, No. 8.*)

Also—Report of the Minister of Education for the year 1923. (*Sessional Papers, No. 17.*)

Also—Report relating to the Registration of Births, Marriages and Deaths, in the Province, for the year 1923. (*Sessional Papers, No. 20.*)

Also—Report upon the Hospitals for the Insane, Feeble-minded and Epileptics for the year 1923. (*Sessional Papers, No. 23.*)

Also—Report upon the Hospitals and Charitable Institutions for the year 1923. (*Sessional Papers, No. 25.*)

Also—Report upon the Prisons and Reformatories of the Province for the year 1923. (*Sessional Papers, No. 26.*)

Also—Report of the Superintendent of Neglected and Dependent Children of the Province for the year 1923. (*Sessional Papers, No. 27.*)

Also—Report on the Operation of the Ontario Temperance Act for the year 1923. (*Sessional Papers, No. 28.*)

Also—Report of the Department of Agriculture for the year 1923. (*Sessional Papers, No. 29.*)

Also—Report of the Ontario Agricultural College for the year 1923. (*Sessional Papers, No. 30.*)

Also—Report of the Ontario Vegetable Growers' Association for the year 1923. (*Sessional Papers, No. 32.*)

Also—Report of the Entomological Society of the Province for the year 1923. (*Sessional Papers, No. 33.*)

Also—Report of the Bee-Keepers' Association of the Province for the year 1923. (*Sessional Papers, No. 34.*)

Also—Report of the Dairymen's Associations of the Province for the year 1923. (*Sessional Papers, No. 35.*)

Also—Report of the Live Stock Branch of Department of Agriculture for the year 1923. (*Sessional Papers, No. 36.*)

Also—Report of the Women's Institutes of Department of Agriculture for the year 1923. (*Sessional Papers, No. 38.*)

Also—Report of the Horticultural Societies of the Province for the year 1923. (*Sessional Papers, No. 40.*)

Also—Report of the Fruit Growers of the Province for the year 1923. (*Sessional Papers, No. 41.*)

Also—Report of the Statistics Branch, Department of Agriculture, for the year 1923. (*Sessional Papers, No. 42.*)

Also—Reports of the Municipal Water Works and Gas Systems of the Province for the year 1923. (*Sessional Papers, No. 43.*)

Also—Report of the T. and N.O. Railway Commission for the year 1923. (*Sessional Papers, No. 44.*)

Also—Report of the Hydro-Electric Power Commission of the Province for the year 1923. (*Sessional Papers, No. 45.*)

Also—Report of Probation Officers of the County of York, including the City of Toronto, for the year 1923. (*Sessional Papers, No. 53.*)

Also—Report on the Adoption Act, 1921, for the year 1923. (*Sessional Papers, No. 72.*)

Also—Return to an Order of the House of the Eleventh day of April, 1924, that there be laid before the House a Return, showing in detail (by Counties) the Estates from which Succession Duties came in the fiscal year ending October 31st, 1923. (*Sessional Papers, No. 71.*)

Also—Return to an Order of the House of the 22nd day of February, 1924, that there be laid before the House a Return showing:—1. The number of motor vehicles purchased by the Government in each year since the first of such purchasing, giving (a) the name of each vehicle; (b) the price paid for the same; (c) the date of purchase; (d) the name of the person for whom purchased or who used the same; (e) the uses to which the same are put; and (f) the ultimate disposition of the motor vehicle. 2. The names of the chauffeurs appointed by the Province of Ontario since the first such employment, showing in each case (a) the duties of the chauffeur; (b) the hours of labour; (c) the salary paid to him; and (d) the amount allowed to him, in each year, for personal expenses. (*Sessional Papers, No. 73.*)

His Honour the Administrator of the Government entered the Chamber of the Legislative Assembly and took his seat upon the Throne.

Mr. Speaker then addressed His Honour as follows:—

May it please Your Honour.

The Legislative Assembly of the Province, having at its present Sittings passed certain Bills to which, on behalf and in the name of the said Assembly, I respectfully request Your Honour's Assent.

The Clerk Assistant then read the Titles of the Acts that had been passed, as follows:—

An Act to amend the Master and Servant Act.

An Act to amend the Libel and Slander Act.

An Act to amend the Coroners Act.

An Act to amend the Mortgages Act.

An Act to amend the Registry Act.

An Act to amend the Corporations Tax Act.

An Act to amend the Ontario Railway Act.

An Act to amend the Public Officers Fees Act.

An Act to amend the Administration of Justice Expenses Act.

An Act to amend the Billiard Room and Bowling Alley License Act, 1922.

An Act respecting the Township of Schreiber.

An Act respecting the Village of Crystal Beach.

An Act respecting the Municipality of Shuniah.

An Act respecting the City of Hamilton.

An Act to amend the Law as to Contributory Negligence.

An Act respecting the Enrolment of Stallions.

An Act to amend the Agricultural Societies Act.

An Act to amend the Act for the Suppression of Foul Brood among Bees.

An Act to incorporate the Lord Dufferin Hospital.

An Act to enable the Trustees of St. Andrew's Presbyterian Church, Peterborough, to sell or mortgage certain lands.

An Act respecting the Kitchener-Waterloo Y.M.C.A. and the Y.W.C.A. of Kitchener.

An Act respecting the County of Waterloo.

An Act respecting the City of Kitchener.

An Act to amend the Ontario Temperance Act.

An Act to amend the Mining Act of Ontario.

An Act to amend the Mining Tax Act.

An Act respecting the Township of Etobicoke.

An Act for the establishment of the Department of Health.

An Act to amend the Dog Tax and Sheep Protection Act.

An Act respecting the Kitchener-Waterloo General Hospital.

An Act respecting the Township of North York.

An Act respecting the Town of Cobourg.

An Act respecting the City of Oshawa.

An Act respecting the Town of Trenton.

An Act respecting the Municipality of Neebing.

An Act to amend the Ontario Telephone Act.

An Act to provide for a Legislative Secretary for Northern Ontario.

An Act to authorize the Lieutenant-Governor in Council to guarantee the payment of certain Debentures.

An Act to provide for the Licensing of Saw Mills and Pulp and Paper Mills.

An Act to amend the Crown Timber Act.

An Act to amend the Crown Attorneys Act.

An Act to amend the Magistrates Act, 1922.

An Act to incorporate the Midland Y.M.C.A.

An Act to amend the Act respecting the Town of Ojibway.

An Act to regulate the Boring and Protection of Wells.

An Act respecting the City of Ottawa.

An Act respecting the City of Toronto.

An Act respecting the City of St. Thomas.

An Act respecting certain lands situate on Goyeau Street in the City of Windsor.

An Act to amend the City of Chatham Act, 1921.

An Act respecting the Town of Sandwich.

An Act to incorporate the Town of La Salle.

An Act respecting the Town of Walkerville.

An Act to amend the Public Vehicles Act.

An Act to amend the Local Improvement Act.

An Act to amend the Planning and Development Act.

An Act respecting the Town of Orillia.

An Act respecting Insurance.

An Act to amend the Ontario Public Superannuation Act.

An Act respecting the Township of Stamford.

An Act respecting the Town of Dundas.

An Act respecting the Town of Pembroke.

An Act to amend the Local Improvement Act.

An Act to amend the Ontario Highways Act.

An Act to provide Compensation for Damage caused by Sulphur Fumes.

An Act to amend the Land Transfer Tax Act.

An Act to amend the Railway Employees and Commercial Travellers Voting Act, 1923.

An Act to amend the Ontario Voters' Lists Act.

An Act to amend the Forest Fire Prevention Act.

An Act to amend the Northern and Northwestern Ontario Development Act, 1912.

An Act for raising Money on the Credit of the Consolidated Revenue Fund.

An Act to amend the Police Magistrates Act.

An Act to amend the Public Health Act.

An Act respecting the Royal Ottawa Sanatorium.

An Act respecting the City of Windsor.

An Act respecting the City of London.

An Act respecting the City of St. Catharines.

An Act to incorporate Ridley College.

An Act to incorporate the Village of Windermere.

An Act respecting the Midland-Simcoe Railway Company.

An Act to amend the Public Utilities Act.

An Act to amend the Local Improvement Act.

An Act respecting Medical and Dental Inspection of Pupils in Public and Separate Schools.

An Act intituled the Workmen's Compensation Rehabilitation Act.

An Act to amend the Workmen's Compensation Act.

An Act to amend the Ontario Election Act.

An Act to amend the Ontario Railway Act.

An Act respecting Warehousemen's Liens.

An Act to amend the Registry Act.

An Act to amend the Municipal Franchise Act, 1922.

An Act to amend the Community Halls Act, 1920.

An Act respecting the Ottawa Electric Railway Company.

An Act respecting the Culling and Measurement of Timber cut upon Public Lands.

An Act to encourage the Mining of Iron Ore.

An Act respecting the Granting of Bonuses by Municipal Corporations.

An Act intituled the Hotels Act, 1924.

An Act respecting the Railroad and City Y.M.C.A. of the City of St. Thomas.

An Act respecting the Town of Mount Forest.

An Act to repeal the Municipal Tax Exemption Act, 1920.

An Act to amend the Highway Traffic Act, 1923.

An Act to amend the Consolidated Essex Border Utilities Act.

An Act respecting the Town of North Bay.

An Act respecting the Town of Sioux Lookout.

An Act respecting the Village of Point Edward.

An Act respecting the City of Kingston.

An Act Licensing and Regulating Dealers in Unwrought Metals.

An Act to amend the University Act.

An Act to amend the Ontario Companies Act.

An Act respecting the Hydro-Electric Railway Act, 1919, and the Contract set out in Schedule "A" of said Act.

An Act intituled the Landlord and Tenant Act, 1924.

An Act to amend the Ontario Temperance Act.

An Act respecting Highways.

An Act to amend the Hospitals for the Insane Act.

An Act to amend the Game and Fisheries Act.

An Act to validate Title to certain Mining Lands and Mining Rights.

An Act to establish the Mining Court of Ontario.

An Act intituled the Ontario Companies Amendment Act, 1924.

An Act for the settlement of certain questions between the Governments of Canada and Ontario respecting Indian Reserve Lands.

An Act respecting the Registration of Brokers.

An Act to amend the Natural Gas Conservation Act, 1922.

An Act to amend the Power Commission Act.

An Act respecting the Sale of Securities.

An Act respecting certain Debentures of the Township of Whitney.

An Act respecting the Hydro-Electric Power Commission of Ontario and certain Companies and Corporations.

An Act intituled the Immigrant Children's Protection Act.

An Act to encourage the Destroying of Wolves.

An Act to confirm By-law No. 658 of the Village of Point Edward.

An Act respecting the Town of Trenton.

An Act respecting the City of Belleville.

An Act to authorize the Law Society of Upper Canada to admit Donald John Livingstone as a Student-at-Law.

An Act respecting the Town of Goderich.

An Act respecting the Town of Oakville.

An Act respecting the City of Fort William.

An Act to consolidate the Floating Debt of the Town of Georgetown.

An Act respecting the City of Niagara Falls.

An Act to incorporate the St. Catharines General Hospital.

An Act respecting the City of St. Catharines.

An Act respecting the Black Eagle Gold Mining Company, Limited.

An Act respecting the Township of Cornwall.

An Act to validate certain Debentures of the Essex Border Utilities Commission.

An Act to amend the Judicature Act.

An Act to amend the Rural Hydro-Electric Distribution Act, 1921.

An Act to amend the School Laws.

An Act respecting the City of Sault Ste. Marie.

An Act respecting the Town of New Toronto.

An Act respecting the Town of Ford City.

An Act respecting the Town of East York.

An Act respecting the Township of York.

An Act respecting the City of Toronto.

An Act respecting the Township of Tisdale.

An Act respecting the City of Toronto.

An Act to authorize Joseph P. Savage to practice Medicine, Surgery and Midwifery.

An Act to amend the Ditches and Watercourses Act.

An Act to amend the Cemetery Act.

An Act to amend the Pharmacy Act.

An Act to amend the Ontario Land Surveyors Act.

An Act to amend the Surveyors Act, 1920.

An Act intituled the Municipal Amendment Act, 1924.

An Act intituled the Assessment Amendment Act, 1924.

An Act respecting Street Railway Fares under Special Acts.

An Act respecting the Taxation of Land in Unorganized Territory.

An Act to amend the Legislative Assembly Act.

An Act respecting School Accommodation for School Section No. 17, Westminster.

To these Acts the Royal Assent was announced by the Clerk of the Legislative Assembly in the following words:—

“In His Majesty’s name, His Honour the Administrator doth assent to these Acts.”

Mr. Speaker then said:—

May it please Your Honour:—

We, His Majesty's most dutiful and faithful Subjects, the Legislative Assembly of the Province of Ontario, in Session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to His Majesty's person and Government, and humbly beg to present for Your Honour's acceptance a Bill intituled "An Act for granting His Majesty certain sums of money for the public service of the financial year ending the 31st day of October, 1924, and for the public service of the financial year ending the 31st day of October, 1925, and for other purposes therein mentioned."

To this Act the Royal Assent was announced by the Clerk of the Legislative Assembly in the following words:—

"His Honour the Administrator doth thank His Majesty's dutiful and loyal Subjects, accept their benevolence and assent to this Act in His Majesty's name."

His Honour was then pleased to deliver the following Speech:—

Mr. Speaker and Gentlemen of the Legislative Assembly:—

In bringing your deliberations to a close, it affords me pleasure to observe that in a Session of comparatively short duration you have enacted much beneficial legislation, and have given mature consideration to many matters of public importance.

Realizing our dependence upon Providence for every blessing we enjoy we have reason for gratitude in the promising outlook for husbandry. The advanced state of farming operations and the favourable climatic conditions are reassuring factors not only for agriculture, but for all the various business activities dependent upon that great industry.

The importance of agriculture to the community has been recognized by the appointment of a Committee of the House to conduct a thorough inquiry during the recess into all possible ways of encouraging the industry, and to report at your next Session. In the meantime, generous provision has been made for rendering effective and useful assistance. The action of the Dominion Government in discontinuing the special aid extended to agriculture during the past ten years has imposed an additional burden upon this Province, which has been met by providing the necessary funds to replace the grants withdrawn.

During the recent Conference between my Government and that of the Province of Quebec, an opportunity was afforded for an exchange of views on

a number of subjects of mutual interest and importance, as to which concurrent action by both provinces was considered to be practicable. In several respects very satisfactory progress was made. I am confident that the efforts to promote co-operation between these great provinces, for the public welfare, will be productive of useful results, and will meet with general approval.

Your earnest protest against the excessive diversion of water from the Great Lakes by means of the Chicago Drainage Canal has directed public attention to a serious menace to the interests not only of this Province, but of the whole Dominion. It is extremely important that the water powers and navigation routes created by nature should be conserved, and that the treaty obligations mutually binding upon the two neighbouring and friendly countries should be respected according to their true intent and meaning.

I observe with interest the financial provision you have made for the extension of the undertakings carried on by the Hydro-Electric Power Commission, to meet the increasing demands of the various districts. The importance of this service to the industrial and social life of the community is generally recognized, and it is most desirable that all portions of the Province should participate in its advantages. In this connection I desire to commend the legislation extending the bonus for Rural Transmission purposes, so as to include Secondary as well as Primary lines; and confidently venture the opinion that such legislation will greatly facilitate the use of electrical power in the rural districts.

Legislation which you have adopted respecting the sale of securities, will prove of special interest and value to the investing public. The Act requiring the registration of brokers will place the business of selling securities on a more satisfactory basis, and will thereby afford a substantial measure of protection to buyers.

The amendments to the school law made this Session have had in view mainly the equalization of the means of support in the secondary schools, and the revision of the method of distributing the aid of this Legislature to elementary schools. It is believed that a just and generous policy on a wider basis, designed to stimulate educational efficiency, especially in the less wealthy sections of the Province, will have far-reaching and beneficial effects.

It is satisfactory to know that the prospects for mining development in this Province are showing marked improvement. By providing for the extension of the Provincial Railway into the Lorraine district, you have facilitated the expansion of mining activities, and have demonstrated your faith in the stability of the industry. I trust that the efforts of my Ministers to interest British investors in our mining opportunities may meet with a favourable response.

The provision you have made for a bounty on the production of Iron Ore will, it is hoped, lead to an early revival of this basic industry of iron production. Possessing as we do great iron ore deposits, there is good reason to believe that, with sufficient encouragement, a permanent development can be established.

By the adoption of legislation for better fire protection, you have dealt with conditions that seriously endangered the forested regions of the Province.

A new field of usefulness for the Workmen's Compensation Board has been opened up by the legislation authorizing that body to assist in the rehabilitation of workmen temporarily incapacitated by injuries. I am confident that the provision you have made will afford a very appreciable measure of assistance towards this desirable object.

A thorough revision of the Insurance Laws has been effected in the consolidating measure you have enacted. One of the useful purposes served by this Legislation is that it is a long step towards uniformity of statutory insurance requirements throughout the Dominion, and will no doubt prove very helpful in the transaction of business.

Among the other measures of a beneficial nature are Bills: to establish a Ministry of Health; for the appointment of a Legislative Secretary for Northern Ontario; for the better organization of the Supreme Court of the Province; to abolish the bonusing of industries by municipalities; to establish a Mining Court; to enable the Government to consult the people regarding liquor legislation; to provide for the licensing of hotels; and for many other purposes.

I desire to thank you for the legislation you have enacted, and for the financial provision you have made for carrying on the public services of the Province, which will be economically and carefully administered. In conclusion, I join with you in the earnest hope that the blessing and protection of Almighty God will continue to abide with this Province and its people in every walk of life.

The Provincial Secretary then said:—

Mr. Speaker and Gentlemen of the Legislative Assembly:—

It is His Honour the Administrator's will and pleasure that this Legislative Assembly be prorogued and this Legislative Assembly is accordingly prorogued

List of Appendixes

TO THE

Journal of the Legislative Assembly 1924

1. Report of the Fish and Game Committee.
2. Report of the Committee on Public Accounts.

Report of the Fish and Game Committee

The Standing Committee on Fish and Game of the Ontario Legislature held its first meeting for the Session of 1924 in Committee Room No. 2 at 10.30 o'clock on Thursday, February 28th. The following were present: Messrs. Armstrong, Belanger, Black, Bradburn, Callan, Colliver, Finlayson, Garden, Gray, Hambly, Harcourt, Jamieson (Grey), Kennedy (Temiskaming), McKnight, Mark, Mewhinney, Morel, Pinard, Ross, Spence, Stewart, Taylor, Wallis, Weichel, Widdifield, Wigle, Willson (Niagara Falls).

SELECTION OF CHAIRMAN:

Hon. Dr. Jamieson suggested and it was agreed that Mr. W. D. Black of Addington act as chairman of the Committee.

RECOMMENDATIONS:

Mr. M Donald, Deputy Minister, read the list of recommendations forwarded to the Department for the consideration of the Committee.

Major Gray (Leeds) suggested that a sub-committee be named to go through the recommendations, to eradicate those which were not within the province of the Committee, and to bring back the remainder.

Conceding that a sub-committee was extremely useful, the chairman thought nevertheless that before its appointment the recommendations should be first typewritten and copies given to every member of the Committee, in order that he might familiarize himself with each item. The Committee agreed, and Mr. McDonald stated that copies would be furnished to each member before Saturday night.

DEPUTATIONS:

Mr. McDonald informed the Committee that several depositions desired to be heard during the course of its sitting.

Hon. Dr. Jamieson suggested that depositions interested in the same matter should be heard on the one day.

Mr. McDonald left to bring back his list of depositions, and during his absence:

Mr. Colliver (Prince Edward) spoke regarding the season for muskrat. He mentioned that one of the recommendations read to the Committee had been to change it to the same as mink, from December 1st to April, instead of from March 1st to April 25th as it stands at present. Mr. Colliver's suggestion was that the season should be from the 10th of March to the 25th of April. He held that conditions in the country made it impossible that muskrat could be legally taken before March 10th.

Mr. Colliver also spoke regarding store license fees, which had been raised from \$5 and \$10 to \$25 and \$100. He declared that these latter fees were too high, just as the earlier ones had been too low. The too high fees, he said, reacted in the end against the trappers, as those who purchased their skins had to pay lower prices because of the high license fees which they were paying.

Asked what he would propose to remedy this condition, Mr. Colliver stated that the license fees should be reduced and the regulations amended so that a storekeeper would have reasonable latitude in purchasing pelts and not be required to remain rigidly within the four walls of his store.

Mr. McDonald returned with the list of deputations which showed that two deputations were coming from the London and Kitchener district, one from Toronto, two from the Sudbury district, and that U. M. Bates of Metagama also wished to be heard.

It was agreed that the deputations from London and Kitchener should be asked to attend at the Committee's next meeting.

It was agreed that the next meeting should be held at the call of the chairman.

The Committee then adjourned.

THE SECOND MEETING OF THE COMMITTEE ON FISH AND GAME OF THE ONTARIO LEGISLATURE, MARCH 4TH, 1924.

The Standing Committee of Fish and Game of the Ontario Legislature met in Committee Room No. 2 at 10 o'clock on the morning of Tuesday, March 4th. Mr. Black was in the chair and the following were present: Messrs Armstrong, Belanger, Colliver, Garden, Gray, Finlayson, Jamieson, Keefer, Keith, Kennedy, McKnight, Macdiarmid, Mark, Mewhinney, Ross, Spence, Stuart, Tellier, Wright, Weichel, Widdifield, and Wigle.

DEPUTATIONS:

Mr. Garden introduced a deputation from the Ontario Hunters' Fish and Game Protective Association. The president of the association, Mr. George Green of Bradford, outlined the aims of the organization, that it should be hand in hand with the Department in the protection and conservation of fish and game. He said that the association, from a small beginning in Simcoe County had grown until it now had 5,000 members.

The secretary of the association, Mr. J. C. Richardson, then read the following recommendations to the Committee:

1. "That the Government be asked to enforce the present law and not allow American tourists or camp men to have guns in their possession, and they be educated to this by good and efficient officers.
2. "That no new leases on public hunting or fishing grounds be issued by the Government to any private club or corporation.
3. "That the Government be asked to stock Hungarian pheasant and quail in certain designated favourable localities.
4. "That the deer season north of the French River be changed to November 1st to 20th of each year.
5. "That the open season for English or ring-neck pheasants be sometime prior to November 1st.

6. "That the season for brook trout south of Muskoka district be advanced from the last of April to the last of August.

7. "That this association strongly recommend that the Department of Game and Fisheries prohibit the sale of all game."

Speaking to these recommendations, Mr. Watson, of Hamilton, said:

With reference to (1) that he knew from conditions which he had observed in the north country amongst tourists that there was need for enforcement of the law. He had seen fish rotting upon the rocks, caught by tourists who were simply "game hogs."

With reference to (2) that the belief lying behind the recommendation was that the hunting and fishing resources of the Province should be available to all.

With reference to (10) that this recommendation was intended to apply not merely to foreigners non-resident in Canada, but also to foreigners resident in Canada. He emphasized the importance also of seeing that the license was actually collected, declaring that hundreds of Americans, particularly on Lake Erie, came across in their motor boats and returned with their catches without paying any license. Asked if he would make the license apply to the individual members of a family of tourists, Mr. Watson said that he thought that it should be collected merely from the head of a family and from any of his guests.

With reference to (13) that the aim of the Act was as much registration as revenue, so that the game wardens might know who was licensed in a district and who was not. The revenue, however, would be substantial, probably \$67,000 per year, and the money so obtained could be used in the work of game protection and propagation.

The effect of a gun license on the farmer was discussed. Mr. Widdifield held that such a regulation would discourage him from keeping a gun to destroy woodchucks, which were becoming a serious farm pest. Mr. Mewhinney held that it would penalize the farmer who might be required to keep a gun for protection of himself, of his sheep from dogs, or for the extermination of woodchucks.

It was agreed that it was not desired to impose any hardship upon the farmer. Mr. Watson wondered, however, if the farmer would object to a nominal registration fee, which would facilitate greatly the work of district game wardens.

Also speaking to the Committee, Dr. Pauling specified destructive species of birds which should be exterminated. He mentioned the great-horned owl, which kills partridge; the cooper's and sharp-shinned hawks, which kill insectivorous birds; the crow, which might deserve only to be reduced in numbers; the avian bat; the cow-bird; the yellow-bellied sapsucker, which destroys timber. He also advocated war upon the red squirrel because of the manner in which he destroyed birds' nests. He said that the way to bring about the extermination of these species was to encourage the boys to become skilful in doing so intelligently and skilfully. The United States, he pointed out, spent millions of dollars yearly in such work.

Speaking to the recommendations regarding the ring-necked pheasant, Mr. Hunsberry, of Jordan Station, said that last year the one-day open season had been on November 5th, which had been unsuitable because on that date deer hunting had also been in progress. American hunters, also, had come over in great numbers for the day.

Mr. Hunsberry asked that the day be set so as not to conflict with deer hunting and so as to coincide with one of the open season dates in the United States, so that American hunters would have no reason to cross the border.

Deputy Minister McDonald pointed out that the season last year could not, because of a provincial statute governing it, be opened earlier than November 5th.

Speaking to the recommendation for shortening the deer hunting season north of the French River, Dr. Waldron, of Barrie, said that the present date, from October 25th to the end of November, was considered too long. The date south of the French River was from October 5th to November 20th. Dr. Waldron suggested that the date north of the French River be fixed from November 1st to 20th, thus giving the northerners five additional days of hunting. To close the season uniformly, he pointed out, would make it much more easy to detect illegitimate shipments of game shot after the season had closed.

Speaking to the suggestion for opening the brook trout season south of Muskoka district one month earlier and closing it one month earlier, Dr. Waldron said that it was made because the fish were noticed to be often in spawn during September.

Deputy Minister McDonald drew the attention of the Committee to the fact that open season for ducks was covered by the Federal Migratory Birds' Act.

Dr. Watson then inquired and was told that an application had been received by the Department to constitute 18 Mile Island on the French River into a game sanctuary. He pointed out that he was a member of a game club which had an equity of some \$7,000 in buildings on the island and that it would expect to be reimbursed.

Mr. Weichel inquired and was told that the revenue from the issuing of game licenses during 1922 had been \$104,000, but that no record was kept of the game shot during that period. He asked if it would not be desirable to keep such a record and was told that it would, but that it was difficult to secure the necessary details.

APPOINTMENT OF SUB-COMMITTEE:

After Mr. Black had expressed the committee's appreciation of the deputation's suggestions, he said that in past years a sub-committee had been found valuable for sifting the recommendations for the action of the main committee. Mr. Wigle then moved, Mr. Keefer suggested, and it was agreed that the following members should constitute a sub-committee: Messrs. Black, Taylor, Jamieson (Grey), Gray, Morel, Widdifield, Lang, Armstrong, and Weichel.

The Committee then adjourned to meet again at the call of the chairman.

THE THIRD MEETING OF THE FISH AND GAME COMMITTEE OF THE ONTARIO LEGISLATURE, HELD MARCH 6TH, 1924.

The third meeting of the Fish and Game Committee of the Ontario Legislature was held on Thursday morning, March 6th, at 11 o'clock in the Reception Room. Mr. Black was in the chair and the following members were present: Messrs. Clarke, Colliver, Ecclestone, Gray, Hambly, Haney, Harcourt, McCrea, McKnight, Mark, Morel, Oke, Pinard, Spence, Taylor, and Willson (Niagara Falls).

ADDRESS BY THE MINISTER:

Mr. Black mentioned that the meeting was the first to be attended by Hon. Mr. McCrea, the Minister in charge of the Department, and he asked that Hon. Mr. McCrea deliver a few remarks.

In reply Hon. Mr. McCrea spoke briefly concerning the policy and problems of fish and game administration. He said that the Government realized the tremendous asset which the Province had in its fish and game resources, which each year attracted to it a tourist traffic benefiting all classes—merchant, manufacturing, and farming. The desire of the Government, he said, was to so administer these resources so that they would be available to sport lovers generally without, in so doing, treading too much on the toes of legitimate private interests. There were, the Minister said, the two points of view, namely, that of the sportsman who thought that he should have a license whenever he wanted one, and that of the sportsman who realized that the Department had laws given to it and that they must be enforced. He conceded that laws to the sportsman were often irritating, but he appealed to all sportsman to co-operate in their enforcement to the end that the Province's fish and game resources might be conserved and propagated. He promised that so long as the citizens would do their part, the Department would do its for a fair enforcement. He said that the Department intended in matters of enforcement that might arise to deal with offences in the light of the law involved, gently but firmly in order that the fish and game heritage might be maintained.

Hon. Mr. McCrea was convinced that the full possibilities of the tourist traffic in this age of the general use of the motor car was not yet fully appreciated. He was confident that, if this field were intelligently cultivated, the Department would not only pay its way in years to come, but would furthermore return hundreds of millions of dollars of revenue to the Province.

Speaking of questions with which the committee might well concern itself, he mentioned two: the license fees charged to non-residents, and the wolf bounty. He personally considered that the \$5 license fee to non-residents was too low, and that visitors who were prepared to visit the Province would not be deterred by a reasonable increase. With regard to the wolf bounty, he pointed out that Ontario paid \$40 per skin, while Manitoba paid but \$1 for coyotes and \$5 for timber wolves; and Quebec only \$15 for timber wolves. There was suspicion, in consequence, that skins from wolves shot in other provinces found their way to Ontario because of the higher bounty. During the past three years, Ontario had paid out in bounty \$149,966; Manitoba \$33,000, and Quebec \$4,455. Nor did the bounty seem to be having the effect desired of it. Timber wolves were not apparently being successfully exterminated. The Committee should consider carefully, Hon. Mr. McCrea concluded, if Ontario was not paying too high a bounty, and if greater economy and efficiency could not be secured by lowering the bounty and by affording additional protection to particular persons or places where the wolf menace was most serious.

DEPUTATIONS:

Hon. Mr. McCrea introduced a deputation from the Sudbury Fish and Game Protective Association. On behalf of this association, its president, Mr. Henry, briefly advanced the following recommendations, pointing out that they coincided largely with those which the Committee had heard at its previous meeting when London and Kitchener deputations had been heard:

1. That the deer season be left as it is north of the French River (from October 25th to November 30th).
2. That a gun license should be instituted.
3. That the present system of issuing licenses, under which hardware stores may now sell them, be changed and certain persons be appointed to issue them.
4. That upon notices, fire prevention placards, and other signs placed in the woods there be placed in prominent type some caution against the careless shooting which results in accidents, preferably some short slogan such as: "See game clearly; the moving object may be a man."
5. That the sale of fish nets be licensed, to remedy the present conditions under which any person may buy a net. Net fishing, particularly by foreigners, was said to be one of the greatest causes of depletion of the waters.
6. That the present open season for partridge be left unchanged (from October 15th to November 20th).
7. Regarding the wolf bounty. This recommendation, President Henry did not present in view of the remarks of Hon. Mr. McCrea. Mr. Henry said that he was confident that the members of his association, could they have heard Mr. McCrea speak, would have been entirely satisfied to leave the question of the wolf bounty in his hands.
8. That the license fees to non-residents be increased. President Henry pointed out how much higher license fees were in other provinces and nearby states, instancing: Quebec, \$10 for ordinary fish and game, \$25 for salmon, and \$25 for big game; Nova Scotia, \$5 for fishing and shooting and \$40 for big game; New Brunswick \$25 for salmon, \$10 for other fish and game, and \$50 for big game; Manitoba, \$25; Saskatchewan, \$25 for big game, \$15 for birds; British Columbia, \$25 for big game, and \$25 for fishing; Michigan, \$10 for fish and game and \$50 for big game; Minnesota, \$15 for fishing and \$50 for big game.

DISCUSSION:

Discussion ensued on the question of raising the license fees to non-residents. Mr. Clarke (Northumberland) wondered if it might not adversely affect the tourist trade. He had in mind, he said, not the visitor who came to Ontario to spend the whole season, but the one who came only for a few days, and whose fish or game cost him quite enough by the time that his expenses for guides, etc., were totalled. Mr. Willson spoke concerning those visitors who came to the border counties where there was very little fishing and who would yet not be allowed to put a line into the water without paying the increased fee. He thought that any increase should apply only to certain zones in the Province. Mr. Taylor thought that some distinction should be accorded the non-residents who owned summer cottages and, although living in them for but a short time each year, yet paid taxes to the municipalities and to the schools. Hon. Mr. McCrea suggested in this regard that a cottage license might be granted in such a case, which would not require the individual members of the visiting family to take out licenses. Mr. Ecclestone, speaking on behalf of Muskoka, believed that a higher fee would not be objected to by the visitors providing the Department followed its policy of restocking of the lakes aggressively. What the visitors did object to, he said, was paying any license fee and not having any fish to catch. Hon. Mr. McCrea agreed with the importance of restocking waters and said that the Department intended to continue its policy in that

direction. At the same time he asked Mr. Ecclestone if he did not believe that non-resident cottagers who had shared in the resources of the waters of Muskoka in years past should help bear the cost of restocking them.

Mr. Mageau wondered if something could not be done to prevent the destruction of fish by industries which polluted the waters. He pointed out that in the north country many fish had died because of the sawdust put into the rivers by lumber companies, and the refuse put in by chemical companies.

Mr. Gray asked if it would not be wise to arrange a conference with the Quebec and Manitoba authorities with a view to uniformity on the wolf bounty. The Minister stated that Quebec representatives at a recent conference with the Ontario Government on sundry matters had given assurance that it would not raise its bounty. Mr. Mageau said that he thought that the Government should consider very carefully before it decided to reduce the wolf bounty. He instanced how plentiful the wolves were in the north country, and said that any bounty less than \$40 would not be sufficient to induce any hunters to make a business of shooting them, as they were difficult animals to come upon. Dr. Harcourt also stressed how prevalent wolves were in the district bounding Algonquin Park. He believed that if the general bounty were to be reduced, there might still be left zones in which a higher bounty would be paid. Mr. Taylor pointed out that the zone system would be a difficult one to maintain. He said that he had understood that the wolf bounty payment had recently been separated from the Provincial Treasurer's and transferred to the Fish and Game Department. He realized that it would weigh heavily on the latter Department's funds, but he hoped that it would not involve retrenchment to the extent that an aggressive campaign could not be waged against the wolf. He advised a campaign to interest sportsmen in the killing of wolves, and suggested that wolf dogs should be made available for such a purpose. Hon. Mr. McCrea pointed out that the problem to the Province was not only one of economy but also one of efficiency, as the high bounty was not at present producing results. There must, he said, be a change in methods.

Captain Hibbard of the Sudbury Fish and Game Protective Association briefly addressed the Committee on the value of organizations such as the one he represented. He detailed particularly the success which an association with which he was connected had had in stocking the Sudbury District with trout. He thought fish and game protective societies should become more general throughout the Province.

Mr. Poole of the C.N.R. pointed out that the tourist traffic brought probably \$25,000,000 or \$30,000,000 into the Province annually. He also was strongly opposed to lowering the bounty on wolves. He said that from the standpoint of the tourist trade the deer of the Province were one of its greatest assets. A wolf, he then stressed, would eat as high as fifty deer per year.

Before the meeting adjourned, Hon. Mr. McCrea read the following figures concerning the Department's activities for the past year:

| | |
|------------------|------------------|
| Revenue..... | \$621,000 |
| Expenditure..... | 391,000 |
| Surplus..... | <u>\$230,000</u> |

Items of Expenditure:

| | |
|-----------------------|-----------|
| Law enforcement..... | \$214,260 |
| Civil Government..... | 51,000 |
| Fish hatcheries..... | 92,000 |
| Sundries..... | 32,000 |

Items of Revenue:

| | |
|------------------------------|-----------|
| From fur..... | \$266,000 |
| From fish..... | 237,000 |
| From angling licenses..... | 77,000 |
| From commercial fishing..... | 145,000 |
| From hunting licenses..... | 93,000 |
| Total from game..... | \$383,000 |
| Total from fish..... | 237,000 |

Before the Committee rose, the chairman announced that a meeting of the sub-committee would be held on Tuesday, March 11th, at 10.30 a.m.

The Committee then adjourned.

THE FOURTH MEETING OF THE COMMITTEE ON FISH AND GAME OF THE ONTARIO LEGISLATURE, MARCH 12TH, 1924.

The fourth meeting of the Fish and Game Committee of the Ontario Legislature was held in No. 1 Smoking Room of the Parliament Buildings at 10.30 o'clock on the morning of Wednesday, March 12th; Mr. Black was in the chair, and the following members were present: Messrs. Bowman, Colliver, Currie, Fenton, Gray, Hambly, Harcourt, Jamieson, Lang, Macdiarmid, Mark, Morel, Ross, Vaughan, Widdifield, and Willson.

DEPUTATIONS:

Hon. Mr. Macdiarmid introduced a deputation of gill-net fishermen from Elgin County.

As first speaker for the deputation, Mr. Bell outlined the grievances of the Port Stanley and Lake Erie fishermen with regard to the shore line limit of five miles east of Port Stanley and of ten miles west of Port Stanley, also with reference to the license fee of \$250 per tug collected by the Government, and the royalties collected upon the sale of the catch.

Mr. Bell pointed out that the Canadian fishermen had to compete in selling their catch with Americans who paid only a \$50 license, had only a three-quarter mile shore limit and who used trap nets, which were not allowed on the Canadian side. The Canadian fish, furthermore, had to pay a duty of \$1 per hundred-weight in order to get into the American market.

Mr. Bell described the fishing industry on the north shore of Lake Erie as being in a precarious condition. He conceded that one of their grievances had been removed by the adjustment which the Department had made of the mesh measurement controversy, and he averred that the industry could largely work out its own salvation if given fair play by the Government.

He believed that the Canadian laws should be made as uniform as possible with the American ones. Exact uniformity, he granted, was impossible because

of the fact that Lake Erie on its south shore was bordered by three different states, New York, Ohio, and Pennsylvania. He contrasted the prosperity of the fishing industry in those states with the prosperity of the one on the north shore, declaring that in Ohio alone there were 3,869 licenses, 2,925 of which were for trap nets. In 1919, he said, there had been twenty-five tugs operating from Port Stanley, whereas to-day there were only ten.

He urged, accordingly, that the shore limit be abolished or greatly reduced, that the tax on tugs be lessened, and that the royalties be eliminated.

Captain N. Cornell, speaking also for the deputation, stressed particularly the circumstances in which the shore line had been prescribed. The idea, he said, had been to keep the waters thus closed to gill netters as a sacred harbour for pound netters.

He argued, however, that the limit was indefensible because the pound netters never went more than three and half miles from shore. He further said that the gill-net tugs were a protection to the area, as they were able to become detectives and to report American tugs which came over and poached illegally in the waters.

Regarding the statement of the pound netters to the effect that the gill netters were depleting the waters of the district, Captain Cornell voiced a vigorous denial. He claimed that it was impossible for a gill net to catch any fish but a mature one, and that a lake could not, in consequence, become depleted from its use. The pound net, on the other hand, he urged, would catch fish of any size. He instanced one case of which he had knowledge where a crew had sold six car of fish that were only two or three inches long for fifty cents per hundred. Mr. Cornell concluded by pointing out the loss in time and steaming that the shore line limit caused to the gill net tug, and he urged that the limit be at least made the same both east and west of Port Stanley.

In reply to questions by Hon. Mr. Macdiarmid, Capt. Cornell said that he would not oppose the Government throwing the lake wide open, because he did not believe that such action would result in any more tugs operating. He said that he thought that if the license system were retained, \$200 would be a fair fee, but that he would advocate instead a scale of royalties based upon the catch of the fishermen. Regarding the use of trap nets, he said that he believed them highly injurious to the fishing in the lake, but that he thought that they should be allowed to Canadians so long as they were not prohibited by the United States. If, he said, the lake was to be depleted by the use of them by Americans, it was only fair that the Canadian fishermen should be allowed to make a little money while things were being destroyed. Captain Cornell also spoke of the hard times of the Lake Erie fishermen. He said that one tug owner who had caught 400 tons during the season had only broken even, and had not been able to meet the repair bill of his boat immediately after the season.

Mr. Bell spoke a second time with reference to the closing of the season between the 15th of December and the 15th of March. He said that the routine by which extensions were secured was such a slow one, that the extensions often arrived too late to be of any use. The fishing late in the season, because prices were three or four times higher than at any other time, gave the fisherman his greatest opportunity of recouping on the year. Mr. Bell urged that licenses be issued for the calendar year. He also drew attention to the fact that the present Canadian closed season was one day longer than the Ohio one, which ended on the 14th of March.

Mr. Nickle spoke briefly. He emphasized the hardship of the shore limit,

declaring that from where he was situated he had to run forty-five miles to get a five mile limit. The fishing industry in Port Stanley, he said, paid out \$75,000 per year in wages. He himself had paid out \$12,000 and had gone behind, despite the fact that he had caught 150 ton of fish during the season.

Chairman Black complimented the fishermen upon their presentation of their case and expressed the Committee's appreciation of their attendance. He said that their representations would be carefully considered.

The Committee also heard a deputation representing the Caledon and Glen Major Clubs and Peterborough Game and Fish Protective Association with reference to the speckled trout season. The deputation had come in opposition to a suggestion made before the Committee at its second meeting to the effect that the speckled trout season should be advanced from May 1st to April 1st and closed in August instead of in September. Spokesmen for the deputation said that the speckled trout during April was not in good condition after spawning and that it was so ravenous that it would eat anything. To permit the catching of them in that month, it was said, would result in a slaughter greater than that of the entire remainder of the season. With regard to the claim that the trout was full of spawn in August, it was pointed out that the spawn was always in a trout and undergoing continuous development, but that it was not ready for ejection before late September or even October. Any trout in which the spawn became ready for ejection earlier was in a diseased condition, a member of the deputation said. The deputation was strongly of the opinion that the trout season should be left unchanged.

Those who spoke on behalf of the deputation were: Messrs. Dr. Myers Denovan, Arnoldi, Canie, Rogers, Jull, Major Walsh, Nickle, and Bull.

Chairman Black expressed the thanks of the Committee to the deputation for its attendance, and assured it that its presentation would be carefully considered.

The chairman requested the sub-committee members to meet on the following day to consider the recommendations which had been lodged, and the Committee then adjourned.

MEETING OF THE SUB-COMMITTEE ON FISH AND GAME OF THE ONTARIO LEGISLATURE, HELD MARCH 13TH, 1924.

The sub-committee of the Fish and Game Committee of the Ontario Legislature met in the Reception Room of the Parliament Building at 9.30 o'clock on the morning of Thursday, March 13th. Mr. Black was in the chair, and the following members were present: Messrs. Gray, Lang, Jamieson, Morel, Widdifield, and Weichel.

DEPUTATION:

Mr. Graves, M.P.P., of St. Catharines, appeared on behalf of the residents of Lincoln County who, in letters which he read, made various suggestions. Regarding the ring-neck pheasants in the district, the residents pointed out that at present they could not shoot them in a sportsmanlike manner, although they were the ones who were responsible for them being in the district, whereas the foreigners in the district shot them indiscriminately. They urged an open season of one week each in October and November. They also suggested that the Government should appoint a paid deputy overseer for its game department,

local wardens without salary, that it should charge a gun license, and that it should arrange a committee in the interest of fish and game preservation in the Department, the Committee to consist of representatives of the Government, of the paid overseer, and representatives of the sportsmen.

The sub-committee informed Mr. Graves that the Lincoln recommendations would receive due consideration. Later Mr. Kemp, M.P.P., for Lincoln, also appeared before the sub-committee and supported the requests which had come from his district.

RECOMMENDATIONS:

Recommendations from the National Fur Farmers' Association were presented, which had already been discussed with the Department. They were:

(1) That new fur farms created between September 15th and December 31st of each year be permitted to carry on without the authority of a license prior to January 31st of the following year.

The Deputy Minister pointed out that it was undesirable that a farm should be without a license at any time. He also said that it might be difficult to actually check up on the exact time at which a fur farm had started. No action was taken on the recommendation.

(2) That Section 11*b* of the Act be amended to permit the exporting of ranch raised fox without the authority of an export permit.

The Deputy Minister said that the Department was willing that the police magistrates at Ridgetown and Arnprior should be appointed issuers of fur dealers' licenses to non-resident, and that they also be empowered to issue export permits on such conditions as the Department might impose. The two points mentioned were in the only two districts in which there was demand for the change which, he said, was to enable the fur farmers to make a sale to a chance tourist without requiring the time necessary to secure an export permit for the Department.

(3) That Section 49 of the Act be amended by adding a new license fee to enable non-residents to buy ranch-raised fox or pelts therefrom, said license to be \$1 and to apply to registered fox only, the license and permits to bear tattoo and number of each fox.

The Deputy Minister said that such an amendment would give to non-residents privileges which residents have not, and no action was, accordingly, taken on the recommendation.

GAME RECOMMENDATIONS.

Bear:

U. M. Bates, Algoma District, recommends that non-resident sportsmen be granted special permit for taking bear in other than regular open season or big game. No action was taken on the recommendation. It was pointed out that bear shooting might be used as a pretext for the carrying of guns.

Deer:

U. M. Bates of Algoma recommended an earlier open season for big game. No action was taken on the recommendation as it was felt that the present season was fair and that to open it any earlier would result in waste.

F. B. Kent, Algoma District, recommended an open season on St. Joseph's Island from November 15th to November 30th, inclusive. The general attitude

of the sub-committee was that there should be no changing of the present seasons except for good reasons. No action was taken on the recommendation.

F. Spence, M.P.P., Fort William, recommended that clause (a) of subsection 1 of section 10 be rescinded, and that the open season be not earlier than November 1st, preferably November 15th to December 30th. No action was taken on the recommendation. It was pointed out that the suggested season would be impossible for the north.

The Ontario Hunters' Fish and Game Protective Association recommended that the season for deer north of the French River be from November 1st to November 20th. No action was taken on the recommendation.

F. Spence, M.P.P., Fort William, recommended that bona fide hunters be allowed to ship carcass or parts thereof to one or more destination. No action was taken on the recommendation as the Deputy Minister, while stating his willingness to grant a head coupon, said that there were no complaints or convictions under the present law.

Ducks and Geese:

Northumberland Game and Fish Protective Association recommended that the season be from October 1st to December 15th, inclusive.

The Essex Wild Life Conservation Association, W. D. Bates of Kent County, a petition from Kent County signed by 507 persons, and the Rondeau Duck Club, recommended that the open season be from October 1st to December 15th, inclusive.

Mr. Lang said that such a change in the season as suggested could not be applied to the north. The Deputy Minister said that it might be applied to the Lake Erie, St. Clair, and St. Lawrence districts, where it was complained that the shooting of ducks earlier resulted in the death of immature birds and frequently also of young ones which had been left on the nests. The Deputy Minister thought, however, that too severe restrictions should not be placed upon Ontario sportsmen, who, he said, were restricted to 200 birds per season in contrast to the Quebec sportsman who might take 2,500 birds and who was allowed to sell them. No action was taken on the recommendations.

Ruffed Grouse:

Sudbury Fish and Game Protective Association recommended no change in the open season for ruffed grouse.

F. Spence, M.P.P., Fort William, recommended that the open season be from October 1st to October 10th, or not later than October 15th, and that bag limit for ruffed grouse be fifteen birds.

J. D. McLean, Ottawa, recommended season for bag limit in October.

W. C. Little, Ottawa, recommended that the open season be from October 15th to October 31st, or not later than November 15th, inclusive, and that bag limit for ruffed grouse be twenty-five birds.

The sub-committee considered the above recommendations and took no action upon them. The chairman pointed out that, much as in the case of deer, partridge hunting was made an excuse for carrying a gun.

Quail:

The Essex Wild Life Conservation Association recommended that the open season be from November 12th to November 17th, inclusive.

The Ontario Hunters' Game and Fish Protective Association recommended that favourable localities be stocked with quail.

The sub-committee discussed the recommendations and were told by the Deputy Minister that quail had become so plentiful in Kent and Essex that a short open season might well be held there. An open season of three days in Kent and Essex was, accordingly, recommended.

Pheasants:

The Ontario Hunters' Game and Fish Protective Association recommended that the English ring-necked pheasant open season be prior to November 1st, and that the Ontario Government stock favourable localities with Hungarian pheasants.

The recommendation was discussed and the sub-committee recommended that an order-in-council be passed for a two-day open season to be held on the same days during which the season is open in New York State, so that American hunters would not come over in too great numbers.

Rabbit:

The Ontario Hunters' Game and Fish Protective Association recommended that the open season for rabbits be from September 12th to December 15th. No action was taken on the recommendation.

Fox:

Wm. Dixon, Northumberland County, recommended that a closed season be placed on red fox from March 1st to November 1st.

G. B. Smith of Grey County recommended that protection be given to fox.

Wm. Dixon of Northumberland County recommended that no dens of fox be dug out or destroyed in any way.

The sub-committee discussed the recommendations and, in view of the ravages of the fox on the farms, took no action upon them.

Muskrat:

C. N. Taylor, trapper, Sellwood, recommended that the open season be the same as for mink.

F. N. Stephens, Leeds County, recommended that the open season be from March 15th instead of March 1st.

Richard Markham, Oxford County, recommended that something be done to protect trappers who find muskrat out of season in traps set for mink.

Goldwin Russell, Kent County, recommended that a closed season be placed on muskrat at Rondeau for two years.

H. S. Colliver, M.P.P., Picton, recommended that the open season be from March 10th to April 25th.

No action was taken on these recommendations. The Deputy Minister told the sub-committee that one good season would bring the muskrat back in the Province in millions. Major Gray raised the question of digging into the muskrat burrow.

Raccoon:

Wm. Dixon of Northumberland County recommended that no trees in which raccoon live be cut or destroyed in any way and that raccoon be taken in steel traps only. No action was taken on the recommendations.

Skunk:

Wm. Dixon of Northumberland County recommended that the closed season be from March 1st to November 1st, that skunk be taken only in steel traps, and that the digging out of skunk dens be prohibited.

Richard Markham of Oxford County recommended that skunk be given protection.

No action was taken on the recommendations.

Squirrels:

Western Ontario Game and Fish Protective Association recommended that an open season be placed on squirrel, and that an open limit of ten per day and thirty per season be placed on these animals.

The Deputy Minister said that the squirrel in certain counties was becoming a pest. He recommended that the matter be left in the hands of the Department with power to deal with it by an order-in-council. The sub-committee concurred.

Sanctuaries:

The Ontario Hunters' Fish and Game Protective Association recommended the establishing of numerous fish and game sanctuaries. The recommendation was approved.

Wild Rice:

The Northumberland Game and Fish Protective Association recommended that the collecting of wild rice in Rice Lake be prohibited for five years. No action was taken on the recommendation.

One Day:

The Essex Wild Life Conservation Association recommended that "One Day" be definite period from 7 a.m. to 5 p.m., eastern standard time.

Rondeau Duck Club recommended that definition of "one day" be left unchanged.

No action was taken on these recommendations.

Blinds and Decoys:

J. D. Sauve, Glengarry County, recommended that blinds be placed only in rush beds.

W. S. Strachan, Glengarry County, recommended that the hunting from floating blinds or brush in rowboats be permitted only in open water.

T. O. Lyall, Glengarry County, recommended the restricting of all picker blinds to rush beds, but permitting the hunting of duck from a floating blind or rowboat with cedar or reed blinds around it only in open lake.

Kent County petition signed by 507 persons recommended that no decoy be placed at a greater distance than 50 yards from shore or rushes thick enough to conceal a boat, that it be illegal to have more than one gun in possession when shooting from a bed or hide, that any person with a boat propelled by oars or paddles may chase or shoot ducks on the waters of Erieau Bay between the hours of sunrise and sunset, and that it be illegal to rent hides for the purpose of shooting ducks at Erieau.

The Rondeau Duck Club recommended that the chasing of ducks by boats be prohibited, and that no decoys be built at a greater distance than 7 yards from shore.

W. D. Bates of Kent County recommended that blinds be built only on shore.

The sub-committee decided to leave the whole question of blinds and decoys to the general committee.

Enforcement:

The Northumberland Game and Fish Protective Association recommended that the appointment of wardens and inspectors be made on the Association's recommendation. This matter was considered by the sub-committee to be a departmental one and no action was taken upon the recommendation.

Licenses:

Wm. Dixon, Northumberland County, recommended that every fox hunter be compelled to take out a trapper's or a hunter's license. No action was taken on the recommendation.

G. B. Smith, Glengarry County, recommended that a license fee of \$5 or \$10 be charged for hunting fox. No action was taken on the recommendation.

U. M. Bates, Algoma District, recommended that a small game license be issued at a fee of \$10. No action was taken on the recommendation.

Guy C. Gamsby, Rainy River District, recommended that fee for fur dealers' store license be reduced to \$5.

Chairman Black said in respect to this point that the present law worked out to the advantage of Jewish fur buyers who were securing a monopoly. He pointed out that the resident storekeeper could not move off his verandah to buy furs and he said that in his own district a pair of Jewish buyers were operating and paying the trappers far below what their skins were worth. He believed that a store license should carry with it the privilege of buying within the township.

The Deputy Minister pointed out that it would be difficult under such a system to check up buyers who had not a license, as a man might take out a store license and travel all over. There would have to, he said, be a personal license. The problem of the storekeeper whose store was part in one county and part in another was raised. The suggestion was made that for each additional dollar paid another county might be added to those covered by the license. In reply to a question, Mr. McDonald, the Deputy Minister, said that the present system of licensing returned \$51,000 to the Province in 1923. No action was taken on the recommendation.

Ontario Hunters' Game and Fish Protective Association recommended that a license be issued to non-residents of the British Empire at a fee of \$50 for hunting purposes. The recommendation was concurred in.

F. Spence, M.P.P., Fort William, recommended that the fee for non-resident hunting licenses be \$100 and that the sale of licenses at International Bridge be discontinued. No action was taken on the recommendation.

H. S. Colliver, M.P.P., Picton, recommended a reduction in present fee for fur dealers' store license. No action was taken on the recommendation.

Mr. Colliver also recommended that a "game bird" license be issued to British subjects residing outside of Ontario in Canada at a fee of \$10, that a "game bird" license be issued to non-British subjects or to British subject residing outside of Canada at a fee of \$25, that a "general" hunting license be issued to British subjects residing outside of Ontario in Canada at a fee of \$25, that a "general" hunting license be issued to non-British subjects or to British subjects residing outside of Canada at a fee of \$50. The recommendations were concurred in by the sub-committee.

Fire-Arms:

Northumberland Fish and Game Protective Association recommended that fire-arms be prohibited on much travelled lakes. No action was taken on the recommendation.

U. M. Bates, Algoma District, recommended that non-resident tourists or resident sportsmen be permitted to carry fire-arms. No action was taken on the recommendation.

Ontario Hunters' Game and Fish Protective Association recommended prohibiting American tourist or camp men having fire-arms in possession during closed season. No action was taken on the recommendation.

F. Spence, M.P.P., Fort William, recommended that permits be issued to non-residents by Federal authorities upon receipt of passport at border. No action was taken on the recommendation.

Gun License:

Sudbury Fish and Game Protective Association recommended that a resident gun license be issued providing that adequate enforcement is supplied.

Essex Wild Life Conservation Association and Northumberland Fish and Game Protective Association made identical recommendations.

Ontario Hunters' Game and Fish Protective Association recommended that provincial gun license or annual fire-arm permit be issued for the hunting of non-protected birds and animals, also for hunting in open season, and restricting such permit to certain areas, but such permit not good for the taking of moose, deer, or caribou. The fee for such permit to be \$1.00 and the revenue derived therefrom to be expended for the propagation of game.

Rod and Gun License:

Ontario Hunters' Game and Fish Protective Association recommended that a resident annual rod and gun license be issued.

F. Spence, M.P.P., Fort William, recommended that a license be issued at a fee of 50 cents during open season for duck and partridge. Such licenses to have affidavit *re* bag limit of holder attached.

The sub-committee discussed at some length the whole question of gun licenses. Its desirability from the viewpoint of the department, enabling it to check up on all persons with guns in a community, particularly in communities where the foreigner was a problem, was mentioned. The difficulty of enforcing it amongst the farmers and amongst the settlers was, however, also considered. It was finally decided to leave the question open for the general committee.

Major Gray recommended that those parts of Frontenac, Addington, and Haliburton north of the C.P.R. line and adjacent to Muskoka should be included in the area in which settlers might shoot a deer. Mr. Black, however, said that he could not conscientiously concur in such a proposal. Such a privilege had been extended some years ago and has been abused, he said. No action was taken on the recommendation.

Age Limit:

Ontario Hunters' Game and Fish Protective Association recommended that no license be issued to persons under the age of 16 years. No action was taken on the recommendation.

Lumber Camp Owners:

Ontario Hunters' Game and Fish Protective Association recommended that owners of timber limits, mine owners and operators, heads of lumbering establishments, contractors, and sub-contractors, or those engaged in lumbering cutting wood, railway contractors and sub-contractors, or those engaged i

other forest operations, water power development, shall be held responsible for all offences against the act respecting moose, caribou, and deer, committed by men under their control or in their employ. No action was taken on the recommendation.

Shooting on Highways:

F. Spence, M.P.P., Fort William, recommended prohibiting same for a certain distance on either side of the highway. The recommendation was approved on the understanding that it should refer to the Scott Highway, near Fort William.

Western Ontario Fish and Game Association recommended that shooting from motor cars be prohibited. The recommendation was approved.

Hunters:

F. Spence, M.P.P., Fort William, recommended that hunters be British subjects only. No action was taken on the recommendation.

Precautions:

Sudbury Fish and Game Protective Association recommended the adoption of slogan: "See game clearly, the moving object may be a man", and same to appear in prominent type on hunting license, also in placards placed in the woods for the prevention of forest fires. The recommendation was approved.

Ontario Hunters' Game and Fish Protective Association recommended the placarding of railway depots with various warnings to hunters. No action was taken on the recommendation.

Trapping:

Richard Markham, Ingersoll, Oxford County, recommended that trapping without a license be withdrawn from farmers.

P. H. Stephens, Leeds County, recommended that the privilege of trapping without a license be withdrawn from farmers.

G. B. Smith, Grey County, recommended that sportsmen and farmers be allowed equal privileges *re* hunting and trapping. No action was taken on these recommendations.

Northumberland Game and Fish Protective Association recommended that trappers from boats be compelled to purchase license. No action was taken on the recommendation.

U. M. Bates, Algoma District, recommended that license grant exclusive rights on certain territories. No action was taken on the recommendation.

He also recommended that trapper have reasonable number of traps working to indicate occupancy not later than fifteen days after the date of open season for fur-bearing animals common to the vicinity. No action was taken on the recommendation.

He also recommended that trapper have protection on any line or on any beaver house or muskrat house or den which he has marked with his name previous to the open season. No action was taken on the recommendation.

He also recommended that trails should have prescribed markings. No action was taken on the recommendation.

He also recommended that unless agreeable to both trappers one shall not set his traps closer than one mile from the prescribed territories of his neighbours. No action was taken on the recommendation.

Trapping:

C. N. Taylor, Sellwood, recommended that the use of No. 3 and No. 4 beaver traps be prohibited during the closed season for beaver and otter, and suggested the use of No. 2½ longest one spring or one spring trap with 3-inch spread of jaw. No action was taken on the recommendation.

W. D. Bates, Kent County, recommended that all trappers pay for a license. No action was taken on the recommendation.

Leases:

Ontario Hunters Game and Fish Protective Association recommended that no new leases be issued on hunting and fishing grounds to any private club or corporation. The recommendation was approved.

License Issuers:

F. Spence, M.P.P., Fort William, recommended that game wardens be prohibited from issuing licenses outside of their office. No action was taken on the recommendation.

Sudbury Fish and Game Protective Association recommended that the present system of issuing licenses under which hardware stores may now sell same be changed and certain persons appointed to issue same. No action was taken on the recommendation.

Sale of Game:

Ontario Hunters' Game and Fish Protective Association recommended that the sale of game be prohibited. No action was taken on the recommendation.

Destruction of Certain Species of Birds:

Ontario Hunters' Game and Fish Protective Association recommended that great-horned owls, sharp-shinned hawks, cowbirds, and red squirrel be given attention regarding destruction. No action was taken on the recommendation.

Poison:

The department recommended that it shall be unlawful to take or kill any game by the use of poison, or for a person to be in possession of same for such purpose, but this shall not apply to trappers in possession of same for the purpose of taking wolves, if in possession of a permit issued by the department. The recommendation was approved.

Penalties:

Ontario Hunters' Game and Fish Protective Association recommended that minimum penalties be increased. No action was taken on the recommendation.

Wolf Bounty:

Ontario Hunters' Game and Fish Protective Association recommended the equalization of wolf bounties on wolves of all ages. The recommendation was approved.

Ernest Labell, trapper, Dorion, recommended that the wolf bounty be advanced to straight \$40 or, better still, to \$50. No action was taken on the recommendation.

Setting of Snares:

Mr. Black said that in his district people were just awakening to the fact that game could be caught by snares even better than by traps. The consequence was that snares were very numerous and that even cows were being caught in them. The sub-committee approved a recommendation for restrictions upon snaring to be applied as an experiment to Addington and Frontenac counties.

FISHING RECOMMENDATIONS.

Angling Licenses:

The Northumberland Game and Fish Protective Association recommended an increase of fee to \$10. No action was taken on the recommendation. A similar recommendation was made by the Ontario Hunters' Fish and Game Association.

Fishing on the Lord's Day:

Wm. Dixon of Bewdley and Northumberland Game and Fish Protective Association recommended that same be prohibited. No action was taken on the recommendation.

Fishing from Motor Boats:

Wm. Dixon of Bewdley recommended same be prohibited. No action was taken on the recommendation.

Limit of Catch:

Northumberland Game and Fish Protective Association recommended maskinonge, 8 bass, 12 pickerel, per boat per day. No action was taken on the recommendation.

Sale of Gill Nets:

Sudbury Game and Fish Protective Association recommended prohibiting sale of nets by merchants to others than those holding fishing licenses.

Spearing:

Goldwin Russell, Kent County, recommended same during February, March, and April at Rondeau for a fee of 25 cents.

Hamilton Angling Club recommended same be prohibited in Hamilton or Burlington Bay after April 1st.

A verbal recommendation was that same should be prohibited during the months of April and May.

The sub-committee discussed the question of spearing fish. Major Gray considered that the Act covering the operation should be amended so that the prohibition of spearing should be withdrawn from coarse fish and that fishing by light at night should be legalized. He therefore recommended and the committee concurred that the Act's clause covering this point be changed to read: "But this shall not apply to the taking of coarse fish, viz.: pike and sucker, by means of dip net or spear with light, provided that such fish shall not be for sale or barter."

Speckled Trout Season:

Ontario Hunters' Fish and Game Protective Association recommended open season south of Muskoka District, April 1st to August 1st.

Glen Major Angling Club recommended no change in the present season.

The committee discussed the problem of the best season for trout. The Deputy Minister agreed with the majority opinion that an earlier season such as the Ontario Association wanted was not desirable. He thought, instead, that it might be advisable to consider if the season should not be shortened. After further discussion the sub-committee decided to recommend that the season for this year be shortened from June 1st to September 15th.

Hamilton Bay:

Hamilton Angling Club recommended a closed season on all fish in in Hamilton Bay from April 1st to June 15th. The matter was left for the general committee's consideration.

Commercial Fishing:

J. D. W. Darling, clerk, municipality of the township of Leeds and Lansdowne—resolution passed by the municipalities of the townships fronting Leeds and Lansdowne, together with those fronting Escott, Yonge, Elizabethtown, and Augusta on the St. Lawrence River, requesting the abolition of commercial fishing in One Thousand Island Region in the River St. Lawrence between Kingston and Prescott.

Corporation of the City of Kingston request that no gill net licenses be granted in the waters of the St. Lawrence River between Brothers Islands and Wolfe Island (eastern limits).

Major Gray asked the Deputy Minister why the licenses had been issued in the St. Lawrence River last year. The Deputy Minister explained that it had been done in error and that the licenses were being held up this year pending the decision of the Minister. Mr. McDonald himself thought that the licenses should not be granted. Major Gray thought that possibly the licenses should not be cut off so suddenly as this year, but that the fishermen should be warned that they will not be renewed next year. On the understanding that this would be done, no action was take on the recommendation.

Commission on Angling Licenses:

A verbal recommendation was that a commission of 50 cents be collected from the applicant by the issuer on the sale of every \$5.00 angling permit, making a total of \$5.50. The recommendaiton was approved

Lake Erie:

Port Stanley Fishermen's Association recommends that the ten mile limit between Port Stanley and Point Pelee be abolished, that the tug license of \$250 be reduced to \$200, that the present royalty system be discontinued, and that in its stead there be a nominal fee for license and a scale of royalties. The recommendations were left over for consideration by the general committee.

Seine Licenses:

Western Ontario Fish and Game Protective Association recommended that none be granted for the waters of the Thames River. The recommendation was approved, the department having authority to issue in special cases.

Domestic Licenses

A verbal recommendation was that domestic gill net licenses be granted for all waters in Ontario. The recommendation was approved.

Section 38, Subsections 2, 3 and 4:

That the Act be amended by striking out said sections. Approved.

Bass:

It was recommended that residents of the province be allowed to take with them 2 days' catch similar to the regulations governing non-residents. The recommendation was approved.

Pickeral Season:

It was recommended that none be taken before June 15th. No action was taken on the recommendation.

The committee then adjourned, the Chairman announcing that the general committee would meet on the morning of the following Wednesday, March 19th.

THE FIFTH MEETING OF THE COMMITTEE ON FISH AND GAME
OF THE ONTARIO LEGISLATURE, HELD ON MARCH 19TH.

The Fish and Game Committee of the Ontario Legislature held its fifth meeting at 10 o'clock on the morning of Wednesday, March 19th. The members, on account of other committee meetings which conflicted, adjourned until one o'clock, when the following were present in the Reception Room: Chairman Black and Messrs. Colliver, Ecclestone, Finlayson, Garden, Gray, Graves, Harcourt, Ireland, McKnight, Macdiarmid, Mark, Mewhinney, Ross, Spence, Taylor, Tellier, Widdifield, Wigle, and Wright.

Report of the Sub-Committee:

The report of the sub-committee was presented to the committee. Upon the following recommendations, the sub-committee had recommended that no action be taken:

Deer:

U. M. Bates of Algoma District had recommended an earlier open season for big game. The recommendation of the sub-committee of no action was concurred in.

F. B. Kent of Algoma District had recommended an open season on St. Joseph's Island from November 15th to November 30th. The recommendation of the sub-committee of no action was concurred in.

F. Spence, M.P.P., Thunder Bay District, had recommended that clause (a) of sub-section 1 of section 10 be rescinded and that the open season be not earlier than November 1st, preferably November 15th to December 20th. The recommendation of the sub-committee of no action was concurred in.

Ontario Hunters' Fish and Game Protective Association had recommended that the open season for deer north of the French and Mattawa Rivers be from November 1st to November 20th. The recommendation of the sub-committee of no action was concurred in.

F. Spence, M.P.P., Thunder Bay District, had recommended that bona fide hunters be allowed to ship carcass or parts thereof to more than one destination. The recommendation of the sub-committee of no action was concurred in.

David Pelly, Esq., Rockspring, had recommended the prohibiting of the killing of any deer south of the Rideau River. The recommendation had not been before the sub-committee and the general committee took no action upon it.

Ducks and Geese:

Northumberland Game and Fish Protective Association recommended that the open season be from September 15th to December 15th inclusive.

Essex Wild Life Conservation Association recommended that the open season be from October 1st to December 15th inclusive.

W. D. Bates, Kent County, recommended that the open season be from October 1st.

Petition from Kent County signed by 507 persons recommended that the open season be from October 1st to December 15th.

Rondeau Duck Club recommended that the open season be from October 1st to December 15th inclusive.

E. C. Graves, M.P.P., St. Catharines, recommended that in the front of the Province the season be opened on October 1st.

The recommendation of the sub-committee for no action on these recommendations was concurred in.

Fur-Farming:

A conference of fur farmers held in the office of the Deputy Minister on March 12th, 1924, had recommended that new fur farms created between September 15th and December 31st of each year be permitted to carry on fur farming operations without the authority of a license prior to January 1st of the following year; that section 11B of the Act be amended to permit the exporting of ranch-raised fox without the authority of an export permit, that section 49, clause d of the Act be amended by adding a new license fee to enable non-residents to buy ranch-raised fox or pelts therefrom, said license fee being \$1.00. This would apply to registered fox only and the license and permits to bear tattoo and number of each fox.

The recommendation of the sub-committee for no action on these recommendations was concurred in.

Ruffed Grouse:

Sudbury Fish and Game Protective Association had recommended no change in the open season for ruffed grouse.

F. Spence, M.P.P., Thunder Bay District, had recommended that the open season be from October 1st to October 10th or not later than October 15th.

St. Hubert Gun Club, Carleton County, had recommended that the open season be from October 1st to 15th inclusive.

J. D. McLean, Carleton County, had recommended season for bag limit in October.

W. C. Little, Carleton County, had recommended that the open season be from October 15th to October 31st or not later than November 15th inclusive. Bag limit for ruffed grouse 25 birds.

The sub-committee had recommended no action on the ruffed grouse season. Dr. Harcourt pointed out, however, that with the season as at present snipers shot all the birds with the result that the residents did not get a legal chance at them. Upon the motions of Messrs. Harcourt and Market, therefore, *It was resolved that the present season of from November 5th to 20th be changed to October 15th to November 20th.*

Quail:

Ontario Hunters' Fish and Game Protective Association had recommended that favourable localities be stocked with quail. The recommendation of the sub-committee of no action was concurred in.

Pheasants:

Ontario Hunters' Game and Fish Protective Association had recommended that the Ontario Government stock favourable localities with Hungarian pheasants. The recommendation of the sub-committee for no action was concurred in.

Rabbit:

Ontario Hunters' Game and Fish Protective Association had recommended that the open season for rabbits be from September 12th to December 15th. The recommendation of the sub-committee for no action was concurred in.

Fox:

Wm. Dixon, Northumberland County, had recommended that a closed season be placed on red fox from March 1st to November 1st.

G. B. Smith, Grey County, had recommended that protection be given to fox.

Wm. Dixon of Northumberland County had recommended that no dens of fox be dug out or destroyed in any way.

The recommendation of the sub-committee for no action on these recommendations was concurred in.

Muskrat:

C. N. Taylor of Sudbury District recommends that the open season be the same as mink.

P. H. Stephens of Leeds County had recommended that the open season be from March 15th instead of March 1st.

Goldwin Russell, Kent County, had recommended that a closed season be placed on muskrat at Rondeau for two years.

H. S. Colliver, M.P.P., Prince Edward County, had recommended that the open season be from March 10th to April 25th.

The sub-committee recommendation of no action was concurred in in the case of the above recommendations.

Raccoon:

Wm. Dixon, Northumberland County, had recommended that no trees in which raccoon live be cut or destroyed in any way, and that raccoon be taken in steel traps only. The sub-committee report of no action on this recommendation was concurred in, but after Mr. Elliott had made representations regarding the skins not being prime during the last two weeks in Spring and during the first two weeks in the Fall, *It was moved and agreed that the season for raccoons, fisher and marten be changed to November 1st to April 1st.*

Skunk:

Wm. Dixon of Northumberland County had recommended that close season be from March 1st to November 1st.

Richard Markham of Oxford County had recommended protection.

Wm. Dixon had recommended that skunk be taken only in steel traps and also the digging out of skunk dens.

The sub-committee recommendation of no action upon these recommendations was concurred in.

Squirrels:

Western Ontario Game and Fish Protective Association had recommended that an open season be placed on squirrel and that a limit of 10 per day and 30

per season be placed on these animals. The sub-committee recommendation of no action but that the matter be left to be regulated by order-in-council was concurred in.

Wild Rice:

Northumberland Game and Fish Protective Association had recommended that the collecting of wild rice in Rice Lake be prohibited for five years. The recommendation of the sub-committee for no action was concurred in.

One Day:

Essex Wild Life Conservation Association had recommended that "one day" be definite period from 7 a.m. to 5 p.m., Eastern Standard time.

Rondeau Duck Club had recommended that definition of one day be left unchanged.

The sub-committee recommendation of no action on these recommendations was concurred in.

Enforcement:

The Northumberland Game and Fish Protective Association had recommended that the appointment of wardens and inspectors be made on the Associations' recommendations. The sub-committee recommendation of no action was concurred in.

Licenses:

Wm. Dixon, Northumberland County, had recommended that every fox hunter be compelled to take out a trappers' or hunters' license.

G. B. Smith of Glengarry County had recommended that a license fee of \$5 or \$10 be charged for hunting fox.

U. M. Bates, Algoma District, had recommended that a small game license be issued at a fee of \$10.

Guy G. Gamsby of Rainy River District had recommended that a fee for fur dealers' store license be reduced to \$5.

H. S. Colliver, M.P.P., Prince Edward County, had recommended a reduction in present fee for fur dealer's store license.

Ontario Hunters' Game and Fish Protective Association had recommended that a license be issued to non-residents of the British Empire at a fee of \$50 for hunting purposes.

F. Spence, M.P.P., Thunder Bay District, had recommended that the fee for a non-resident hunting license be \$100 and that the sale of licenses at International bridge be discontinued.

The sub-committee had recommended no action on the above proposals. Mr. Black, however, urged his point that the present store license did not allow its holder to go off his verandah to buy and that it was tending to create a monopoly for the travelling Jewish fur buyer. The feasibility of granting a certain radius of operation with a store license was discussed by the committee and, upon the motion of Dr. Jamieson seconded by Dr. Harcourt, it was proposed that there should be three grades of licenses, viz.: one at \$10 giving buying right within one township, one at \$25 giving buying rights within one county, and one at \$100 giving buying rights in the whole province. In amendment, upon the motion of Mr. McKnight seconded by Mr. Macdiarmid, it was proposed that the licenses should be left unchanged for the present year. After discussion

on the difficulties of enforcement were Dr. Jamieson's motion adopted and upon other practical features involved in any change, the amendment was carried and no action upon the licenses was decided upon for this year.

Fire-Arms:

Northumberland Game and Fish Protective Association had recommended that fire-arms be prohibited on much travelled lakes.

U. M. Bates, Algoma District, had recommended that non-resident tourists or resident sportsmen be permitted to carry fire-arms.

Ontario Hunters' Fish and Game Protective Association had recommended prohibiting American tourists or camp men having fire-arms in possession during close season.

F. Spence, M.P.P., Thunder Bay District, had recommended that permits be issued to non-residents by Federal authorities upon receipt of passport at Border.

The sub-committee recommendation of no action upon the above suggestions was concurred in.

Lumber Camp Owners:

Ontario Hunters' Game and Fish Protective Association had recommended that owners of timber limits, mine owners and operators, heads of lumbering establishments, contractors and sub-contractors, or those engaged in lumbering, cutting wood, railway contractors and sub-contractors, or those engaged in other forest operations, water power developments, shall be held responsible for all offences against the act respecting moose, caribou, or deer, committed by men under their control or in their employ.

The sub-committee recommendation of no action was concurred in.

Hunters:

F. Spence, M.P.P., Thunder Bay District, had recommended that hunters be British subjects only. The recommendation of the sub-committee for no action was concurred in.

Precautions:

Ontario Hunters' Game and Fish Protective Association had recommended the placarding of railroad depots with various warnings to hunters. The recommendation of the sub-committee for no action was concurred in.

Trapping:

Richard Markham, Oxford County, had recommended that trapping without a license be withdrawn from farmers.

P. H. Stephens, Leeds County, had recommended that privilege of trapping without a license be withdrawn from farmers.

G. B. Smith, Grey County, had recommended that sportsmen and farmers be allowed equal privileges *re* hunting and trapping.

Northumberland Fish and Game Protective Association had recommended that trappers from boats be compelled to purchase license.

U. M. Bates, Algoma District, had recommended (1) that license grant exclusive rights on certain territories; (2) that trapper have reasonable number of traps working to indicate occupancy not later than 15 days after date of open season for fur bearing animals common to vicinity; (3) that trapper have

protection on any line or on any beaver house or muskrat house or den which he has marked with his name previous to open season; (4) that trails should have prescribed markings; (5) that, unless agreeable to both trappers, one shall not set his traps closer than one mile from the prescribed territories of his neighbours; (6) suggestions as to settlement of disputes between trappers.

C. N. Taylor, Sudbury District, had recommended that the use of No. 3 and No. 4 beaver traps be prohibited during the close season for beaver and otter and suggests the use of $2\frac{1}{2}$ longest one spring or one spring trap with 3-inch spread of jaw.

W. D. Bates, Kent County, had recommended that all trappers pay for a license.

The recommendation of the sub-committee for no action upon these foregoing trapping proposals was concurred in.

License Issuers:

F. Spence, M.P.P., Thunder Bay District, had recommended that game wardens be prohibited from issuing licenses outside their offices.

Sudbury Fish and Game Protective Association had recommended that the present system of issuing licenses under which hardware stores might now sell, same be changed and certain persons appointed to issue same.

The sub-committee recommendation of no action on the above licensing suggestions was concurred in.

Sale of Game:

Ontario Hunters' Game and Fish Protective Association had recommended that the sale of game be prohibited. The sub-committee recommendation of no action was concurred in.

Destruction of Certain Species of Birds:

Ontario Hunters' Game and Fish Protective Association had recommended that the great-horned owls, sharp-shinned hawks, cow birds, and red squirrel be given attention regarding destruction. The sub-committee recommendation of no action was concurred in.

Penalties:

Ontario Hunters' Game and Fish Protective Association had recommended that the minimum penalties be increased. The sub-committee recommendation of no action was concurred in.

Wolf Bounty:

Ernest Labell, Thunder Bay District, had recommended that the wolf bounty be advanced to straight \$40 or, better still, to \$50. The sub-committee recommendation of no action was concurred in.

RECOMMENDATIONS APPROVED.

The following recommendations were reported by the sub-committee as having been approved by it:

Quail:

Essex Wild Life Conservation Association had recommended that open season be from November 12th to November 17th.

The sub-committee had recommended a three day open season for Essex and Kent Counties and *this recommendation was carried.*

Pheasants:

Ontario Hunters' Game and Fish Protective Association had recommended that English Ring-necked pheasant season be open prior to November 1st. *The sub-committee had recommended and the committee concurred that a season of two days be given at the same time as the season in New York State.*

Muskrat:

Richard Markham, Oxford County, had recommended that something be done to protect trappers who found muskrat out of season in traps set for mink.

The sub-committee had taken no action but had substituted the following, with which the committee concurred: *That no muskrat shall be shot or speared at any time nor shall any muskrat or beaver house or beaver dam be cut, speared, broken, or destroyed at any time, and this shall include all muskrat burrows and runways between the muskrat house and the adjacent waters.*

Sanctuaries:

Ontario Hunters' Game and Fish Protective Association had recommended the establishing of numerous fish and game sanctuaries. *The sub-committee had approved the recommendation and the committee concurred.*

Licenses:

There had been recommended (1) that a game bird license be issued to British subjects residing outside of Ontario in Canada at a fee of \$10; (2) that a game bird license be issued to non-British subjects or to British subjects residing outside of Canada at a fee of \$25; (3) that a general hunting license be issued to British subjects resident outside of Ontario in Canada at a fee of \$25; (4) that a general hunting license be issued to non-British subjects or to British subjects residing outside of Canada at a fee of \$50.

The sub-committee had approved all four clauses of the recommendation. *The committee concurred in the first three of them but, upon the motion of Dr. Garden seconded by Mr. Spence, decided to charge a license fee of \$100 for moose and of \$50 for red deer to non-British subjects residing outside of Canada.*

Shooting on Highways:

F. Spence, M.P.P., Thunder Bay District, had recommended prohibiting same for a certain distance on each side of highway.

Western Ontario Fish and Game Protective Association had recommended prohibiting shooting from motor cars.

No action had been taken but the following had been substituted by the sub-committee and the committee concurred: It shall be unlawful for any person at any time to carry a loaded shotgun or rifle in or on or discharge the same from a motor car or other vehicle. A shotgun or rifle carrying loaded shells or cartridges in the magazine shall be deemed to be loaded.

Precautions:

The Sudbury Fish and Game Protective Association had recommended the adoption of slogan: "See game clearly, the moving object may be a man," and that the same should appear in prominent type on hunting license also in placards placed in the woods for the prevention of forest fires. *The sub-committee had approved the recommendation and the committee concurred.*

Leases:

The Ontario Hunters' Game and Fish Protective Association had recommended that no new leases be issued on hunting and fishing grounds to any private club or corporation. *The sub-committee had approved the recommendation and the committee concurred.*

Poison:

It had been recommended that it should be unlawful to take or kill any game by use of poison, or for a person to be in possession of same for such purpose, but that this should not apply to trappers in possession of same for the purpose of taking wolves, if in possession of a permit issued by the department. *The sub-committee had approved the recommendation and it was carried by the committee.*

Wolf Bounty:

The Ontario Hunters' Fish and Game Protective Association had recommended the equalization of the wolf bounty on wolves of all ages. *The sub-committee had approved the recommendation and the committee concurred.*

Bear:

U. M. Bates, Algoma District, had recommended that non-resident sportsmen be granted special permit for taking bear in other than regular open season for big game. The sub-committee had recommended that no action be taken on this proposal and the committee concurred.

GAME RECOMMENDATIONS REFERRED TO STANDING COMMITTEE.

The following recommendations had been before the sub-committee and had been left over for consideration by the general standing committee:

Blinds and Decoys:

J. D. Sauve, Glengarry County, had recommended that blinds be placed only in rush beds.

W. S. Strachan, Glengarry County, had recommended that the hunting from floating blinds or brushed in rowboats should be permitted only in open waters.

T. O. Lyall, Glengarry County, had recommended the restricting of all picket blinds to rush beds but permitting the hunting of duck from a floating blind or a rowboat with cedar or reed blinds around it only in open lake.

Kent County petition signed by 507 persons recommended that no decoys be placed at a greater distance than 50 yards from shore or rushes thick enough to conceal a boat; (2) that it be illegal to have more than one gun in possession when shooting from a bed or hide; (3) that any person with a boat propelled by oars or paddles may chase or shoot ducks on the waters of Erieau Bay between the hours of sunrise and sunset; (4) that it be illegal for parties to rent hides for the purpose of shooting ducks at Erieau.

Rondeau Duck Club had recommended that the chasing of ducks by boats be prohibited and that no decoys be placed at a greater distance than 75 yards from shore.

W. D. Bates, Kent County, recommended that blinds be built only on shore.

The committee considered but took no action on the above proposals *re* blinds and hides.

Gun License:

Sudbury Fish and Game Protective Association, Essex Wild Life Conservation Association, and Northumberland Fish and Game Protective Association recommended "that a resident gun license be issued providing that adequate means of enforcement is supplied."

Ontario Hunters' Fish and Game Association recommended that provincial gun license or annual fire-arm permit be issued for the hunting of non-protected birds and animals, also for hunting in open season, and restricting such permit to certain areas, but such permit not good for the taking of moose, deer, or caribou. The fee for such permit to be \$1.00 and the revenue derived therefrom to be spent in the propagation of game.

The committee decided to take no action upon a gun license for this year.

Rod and Gun License:

Ontario Hunters' Game and Fish Protective Association recommended that a resident annual rod and gun license be issued.

F. Spence, M.P.P., Thunder Bay District, recommended that a license be issued at a fee of 50c. during open season for duck and partridge, such licenses to have affidavit *re* bag limit attached.

The committee decided to take no action upon the above recommendations for this year.

At this juncture, on motion of Hon. Dr. Jamieson, who pointed out that it was now 3 o'clock and that the House would be sitting, the committee adjourned to meet the following day at 1 o'clock.

THE SIXTH MEETING OF THE COMMITTEE ON FISH AND GAME
OF THE ONTARIO LEGISLATURE, HELD ON MARCH 20TH, 1924.

The sixth meeting of the committee on Fish and Game of the Ontario Legislature was held at 1 o'clock on Thursday, March 20th. Mr. Black was in the chair, and the following members were present: Messrs. Bowman, Callan, Colliver, Ecclestone, Finlayson, Garden, Graves, Gray, Hambly, Haney, Harcourt, Ireland, Jamieson, Keith, Lang, McCrea, McKnight, Macdiarmid, Mageau, Mark, Mewhinney, Oke, Ross, Spence, Taylor, Teller, Widdifield, Wigle and Wright.

The committee continued its consideration of the sub-committee's report. The following items were taken up:

Age Limit:

Ontario Hunters' Game and Fish Protective Association recommended that no license be issued to persons under the age of 16 years. No action was taken on the recommendation.

Snares:

The sub-committee had recommended that the setting of snares be prohibited in the Counties of Lennox and Addington and the committee approved.

Varying Close Seasons:

It was recommended and the committee concurred that section 8, clause C, be amended to read: "Varying the close season in all parts of the province where local conditions or climatic conditions will warrant a change, such variations shall not extend beyond one season."

Varying Penalties:

It was recommended and the committee concurred that the Lieutenant-Governor in Council may make regulations varying the conditions of section 65 of the Act where conditions may warrant.

Non-Resident Fox License:

It was recommended and the committee concurred that section 49, clause D, be amended by adding the following thereto: "For a non-resident to purchase direct from fur farmers operating under a fur farmers' permit, registered ranch-raised fox, to be known as "Non-Resident Fox License" and the fee shall be \$1.00."

Overseer's Powers:

It was recommended and the committee concurred that section 61, subsection 2, be repealed and the following substituted therefor: "Overseer's powers as constable: An overseer shall have the authority of a constable for the purpose of this Act and the regulations and shall have authority to stop and search without a search warrant any vehicle, boat, or launch that is suspected to contain any fish or game illegally taken.

Unprime Skins:

A verbal recommendation was that section 39 (a) be rescinded, which prohibits the possession of unprime skins. No action was taken on the recommendation.

Additional Recommendations:

Addition recommendations received by the department, which were placed before the committee, were: (1) G. E. Brown, Manager of Sheehan's Camp, Whitefish, asked that there be no increase in deer license, that hunting with dogs be stopped, and that the season north of the French River remain as at present; (2) U. M. Bates recommended a special permit for the four townships in which his tourist camps are located for tourists to hunt rabbits during the close season for other game.

No action was taken on these recommendations by the committee.

RECOMMENDATIONS REGARDING FISHING.

The following recommendations had been before the sub-committee which had recommended that no action be taken upon them, in which the committee concurred:

Angling Licenses:

Northumberland Game and Fish Protective Association had recommended an increase of fee to \$5.00.

Ontario Hunters' Fish and Game Protective Association had recommended an increase of fee to \$10.00.

Fishing on the Lord's Day:

Wm. Dixon, Northumberland County, had recommended that same be prohibited.

Northumberland Game and Fish Protective Association had recommended that same be prohibited.

Fishing from Motor Boats:

Wm. Dixon, Northumberland County, had recommended that same be prohibited.

Limit of Catch:

Northumberland Game and Fish Protective Association had recommended, four maskinonge, eight bass, twelve pickerel, per boat per day.

Sale of Gill Nets:

Sudbury Fish and Game Protective Association had recommended the prohibition of sale of nets by merchants to others than those holding fishing licenses.

Spearing:

Goldwin Russell, Kent County, had recommended same during February, March, and April at Rondeau for a fee of twenty-five cents.

Hamilton Angling Club had recommended same be prohibited in Hamilton or Burlington Bay after April 1st.

A verbal recommendation had been that same should be prohibited during the months of April and May.

At this point in the committee considerable discussion arose over the use of a jack-light at night for spearing fish. Major Gray said that it was in general use in defiance of the law, and he urged that a law so little respected should not be retained on the statute books, to react perhaps to the injury of some one violator. The Deputy Minister, however, said that it would be impossible if the jack-light were legalized to protect game fish from being speared. Mr. Gray then moved that the jack-light be legitimized, but the suggestion was voted down by the members.

Raising of Fees:

At this point Mr. Black raised the question of the raised fees decided upon for game hunting at the meeting previous. Many members of the Committee stated that they had received representations strongly opposing such a move on the grounds that it would seriously injure the Province's tourist trade. Upon the motion of Hon. Mr. Macdiarmid, therefore, seconded by Mr. Wigle, *it was resolved that there be no change in the license fees for the present year.*

RECOMMENDATIONS APPROVED.

The following recommendations had been before the sub-committee and had been approved by it:

Speckled Trout Season:

Ontario Hunters' Fish and Game Protective Association had recommended open season south of Muskoka district, April 1st to August 1st.

Glenn Major Angling Club had recommended no change in the present season.

The sub-committee had taken no action on these suggestions but had approved the following substitute: "that the open season be from June 1st to September 15th.

Hon. Dr. Jamieson said that he had supported this recommendation in the belief that the streams of his county would become stocked up rapidly if only

a careful policy were pursued. Since supporting the bill, however, he had received, he said, so many letters and representations that he would be glad to hear the subject reopened. The importance of the streams becoming stocked themselves was emphasized in the discussion of the committee, with the result that a compromise was reached fixing the season from May 15th to August 31st. *The committee approved a recommendation for such a season.*

Recommendations from Georgian Bay:

The Deputy Minister placed before the committee recommendations received from tourist interests in the Georgian Bay, asking the cancellation of netting licenses in certain areas and seeking also licenses for the destruction of pike, carp and suckers. No action was taken on the recommendations by the committee.

Hamilton Bay:

The Hamilton Angling Club recommended a close season on all fish in Hamilton Bay from April 1st to June 15th. No action was taken on the recommendation by the committee.

Commercial Fishing:

J. W. D. Darling, Leeds County, recommended resolution passed by the municipalities of the townships fronting Leeds and Lansdowne, together with those fronting Escott, Yonge, Elizabethtown and Augusta on the St. Lawrence River, requesting abolition of commercial fishing in One Thousand Island region in the River St. Lawrence between Kingston and Prescott.

Corporation of the City of Kingston requested that no gill net licenses be granted in the waters of the St. Lawrence River between Brothers Islands and the eastern limits of Wolfe Island.

The committee discussed the recommendations and took the view that, as the waters were international, the Canadian fishermen should not be debarred so long as the Americans were allowed. No action was taken on the recommendation.

Commission on Angling Licenses:

A verbal recommendation was that a commission of fifty cents be collected from the applicant by the issuer on the sale of every \$5.00 angling permit, making a total of \$5.50. *The committee approved the recommendation.*

Domestic Licenses:

A verbal recommendation was that domestic gill net licenses be granted for all waters in the Province of Ontario. No action was taken by the committee on the recommendation.

Commercial Fishing:

A verbal recommendation was that same be prohibited in any waters known to contain game fish except waters that are international or interprovincial, and that the Act be amended by striking out subsections 2, 3 and 4 of section 38. *The recommendation was approved by the committee.*

Bass:

A verbal recommendation was that residents of the Province be allowed to take with them two days' catch similar to regulations governing non-residents. *The recommendation was approved by the committee.*

FISHING RECOMMENDATIONS REFERRED BY THE SUB-COMMITTEE TO THE
GENERAL STANDING COMMITTEE.

Lake Erie:

Port Stanley Fishermen's Association recommended that the ten mile limit between Port Stanley and Point Pelee be abolished, that there be a reduction of tug license fee from \$250 to \$200, and that the present royalty system be abolished in favour of a nominal fee for license and a scale of royalties.

The committee discussed the case of the Lake Erie men. Hon. Mr. Macdarmid pointed out that the pound netters, in favour of whom the ten mile limit was prescribed, had a heavy investment in equipment. He considered also that concessions had been made to the gill netters when the lake had been thrown open to them subject to the ten mile limit and when they had been allowed to come close to the shore after the pound netting season was over. He recalled that the matters had been carefully threshed out before the committee in a previous year and that the pound netters had impressed the committee as being entitled to the limit.

Mr. McKnight argued that the Lake Erie gill net men were subject to the only ten mile limit in the Province and that it should not be imposed on them. It meant, he pointed out, loss of time and coal in steaming.

Mr. Wigle said that the dispute seemed to be one between two classes of commercial fishermen and that the limit question should be left in the hands of the Department. The committee concurred in this view.

The committee was at first favourable to a reduction in the tug license fee to \$200 until the Deputy Minister, Mr. McDonald, pointed out that the fee was calculated upon the basis of the yardage of net used, and that to reduce it for the gill net men and to leave it unchanged for the others would be unfair. This question, too, accordingly, and also the one urging a discontinuance of the present royalty system were referred to the Department.

Seine Licenses:

Western Ontario Fish and Game Association recommended that none be granted for the waters of the Thames River. No action was taken by the Committee upon the recommendation.

Upon the motion of Mr. Ross, seconded by Mr. Callan, the Committee then adjourned sine die.

Report of the Standing Committee on Public Accounts, 1924.

To the Honourable the Legislative Assembly of the Province of Ontario:

Your Committee has had produced before it certain vouchers, accounts, correspondence and particulars in connection with the Public Accounts of the Province of Ontario for the fiscal year ending 31st October, 1923, which it has carefully examined and considered.

Your Committee desire to draw attention of the House to the fact that it has been shown that certain officials in the Public Service of the Province have received certain gifts, donations or loans from corporations or persons who have benefited by way of commissions or profits on the sale of securities to the Province of Ontario and your Committee recommends that these cases be considered by the Government.

Evidence was given before your Committee by Alexander Ross and G. M. Hart, which they afterwards admitted to the Committee was a fabrication, and it is recommended that these facts be submitted to the proper officers of the Crown for appropriate action.

Your Committee have considered the evidence and facts in connection with the sale of \$10,000,000 Treasury Bills, Series "L," to D. K. Ridout, and find that a profit of approximately \$100,000 was made on this sale under circumstances that lead your Committee to believe a correspondingly heavy loss was made by the Province.

Your Committee have investigated the purchase of Succession Duty Free Bonds from George R. Harris, using the name of the Provincial Securities Company, and your Committee submitted that the whole circumstances were fraudulent and have resulted in a very heavy loss to the Province of Ontario.

The said George R. Harris also sold securities to the Province through various companies and corporations he was connected with, under similar circumstances, which resulted in the Province paying excessive prices greatly beyond the market price of such securities.

Messrs. Clarkson & Co. have reported to your Committee that the said George Harris, through the said Provincial Securities Company and the other corporations, made a profit of \$125,229 on these sales.

Your Committee have also investigated the transaction to the Province with G. M. Hart, and the evidence shows that there were very grave irregularities involving the loss to the Province of approximately \$25,000 in connection therewith.

The Treasury Department submitted a statement to the effect that the Province had lost on the purchase of Inscribed Stock and Succession Duty Free Bonds in England through Messrs. Æmilijus Jarvis & Co. the sum of \$570,072. Mr. H. G. Pepall, the Manager of the Company, stated to the Committee that there was no record of these transactions in the Ontario office, and that the business had been carried on entirely in England, and that there was no one in Ontario at present who had any knowledge of the details thereof.

The Committee have investigated as fully as possible the method of selling Provincial Securities, and have found that very large commissions have been paid to Government officials, and others, claiming to have influence with the Government, to procure such transactions, and your Committee refrain from making any report thereon as the matter is now in the hands of the Crown for prosecution.

The Committee beg to report that Messrs. Matthews and Mason, although subpoenaed, were not produced before the Committee and your Committee recommend vigorous action against them.

Attached hereto is a list of the witnesses who were examined on oath by your Committee.

Your Committee has held during the Session eighteen meetings and submits herewith the minutes of the proceedings and the evidence given, as taken by the stenographer.

All of which is respectfully submitted.

(Sgd.) W. FINLAYSON.

Chairman.

Committee Room,
April 17th, 1924.

WITNESSES WHO HAVE APPEARED BEFORE THE PUBLIC ACCOUNTS COMMITTEE.

C. A. Matthews, Assistant Treasurer.

D. K. Ridout, Toronto.

G. G. Adam, Bank of Montreal, Toronto.

A. Bradley Patterson, Bank of Montreal, King and Yonge, Toronto.

J. Walter Curry, K.C., Toronto.

W. N. Douglas, Chief Clerk, Treasury Department.

Geo. R. Harris, Hamilton.

Edw. M. Saunders, Canada Life Assurance Co., Toronto.

L. A. Winters, Treasurer, Mfg. Life Insurance Co., Toronto.

F. G. Husband, Bank of Toronto, Toronto.

Garnet M. Hart, Toronto.

Alex. Ross, Toronto.

Geo. Hurst, Income Tax Branch, City Hall, Toronto.

A. D. Leitch, Standard Bank, Toronto.

C. I. Lancefield, Royal Bank, Toronto.

J. D. McWilliams, Toronto.

G. T. Clarkson, Clarkson, Gordon & Dilworth, Toronto.

G. A. Brown, Provincial Auditor.

Hon. T. W. McGarry, Toronto.

J. G. Whittaker, Home Bank, Toronto.

A. E. Calvert, Home Bank, Toronto.

Miss R. Virtue, Home Bank, Toronto.

Robt. R. Rogers, Toronto.

A. V. Young, Toronto.

Edw. H. McMillan, Toronto.

Harry G. Pepall.

A. E. Nash, of Clarkson, Gordon & Dilworth.

G. L. McHattie, Manager, Bank of Toronto, Stratford Branch.

W. R. Fleming, Home Bank, Toronto.
Paul R. Fleming, Kerr Fleming, Toronto.
R. E. M. Meighen, Solicitor to Succession Duty Branch.
C. H. Sproule, Toronto.
Hon. F. C. Biggs.
R. O. Denman.
(34 Witnesses.)

Minutes and Proceedings

PUBLIC ACCOUNTS COMMITTEE, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, March 7th, 1924.

The Select Standing Committee to whom was referred the examination of the Public Accounts of the Province for the fiscal year 1922-23 and composed of the following members: Messieurs Acres, Beck, Belanger, Belford, Berry, Biggs, Bradburn, Carmichael, Carr, Clarke (Brockville), Clarke (Northumberland), Currie, Doherty, Ecclestone, Elliott, Ferguson, Finlayson, Fisher, Freeborn, Garden, Godfrey, Graves, Haney, Harcourt, Heenan, Henry, Hillmer, Ireland, Jamieson (Grey), Keefer, Keith, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, Lewis, Lyons, McCausland, McCrea, McKeown, MacBride, Mageau, Morel, Nesbitt, Nickle, Nixon, Oakley, Oke, Owens, Patterson, Price, Proulx, Raney, Rankin, Sinclair, Tellier, Vaughan, Wallis, Weichel, Widdifield, Wigle, and Wilson (Windsor), met this day for organization.

Present:—Messieurs Belanger, Belford, Biggs, Bradburn, Doherty, Finlayson, Fisher, Freeborn, Graves, Harcourt, Heenan, Jamieson (Grey), Keith, Kemp, Lethbridge, Oke, Owens, Patterson, Price, Proulx, Sinclair, Tellier, Wallis, and Weichel.

Moved by Hon. Mr. Price, that Mr. Finlayson be appointed chairman of the Committee for the session. Carried.

Moved by Mr. Owens and seconded by Mr. Bradburn,

That the Deputy Provincial Treasurer, C. A. Matthews, be summoned to appear before this Committee at its next sitting to give evidence regarding the items following, and to produce all papers, books and documents relating to the same:—

Public Accounts:

Page 12—Treasury Bills, Series "L," \$9,703,550.

Page 12—Treasury Bills, Series "M," \$5,000,000. Carried.

The Committee then adjourned to Wednesday, March 12th, at 10.30 A.M.
Read and confirmed.

March 12th.

Public Accounts Committee Room,
Parliament Buildings,
Wednesday, March 12th, 1924.

The Committee met at 10.30 A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Acres, Belanger, Belford, Berry, Bradburn, Carmichael, Carr, Clarke (Brockville), Currie, Doherty, Ecclestone, Elliott, Finlayson, Fisher, Freeborn, Graves, Haney, Harcourt, Heenan, Ireland, Jamieson (Grey), Keefer, Keith, Kemp, Kennedy (Temiskaming), Lethbridge, Lewis, Lyons, McCrea, MacBride, Nesbitt, Nixon, Oakley, Oke, Owens, Patterson, Price, Proulx, Rankin, Sinclair, Tellier, Vaughan, Widdifield, Wigle.

The minutes of the previous meeting were read and confirmed.

Mr. C. A. Matthews, Deputy Provincial Treasurer, being duly sworn, was examined by Mr. Price and others.

It was moved by Mr. Price and seconded by Mr. Keefer,

That Thomas M. Roadhouse, of Messrs. Osler & Hammond, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, bank accounts and bank books and memoranda in writing, in his custody or power, relating to or containing any entries or reference to the purchase by Messrs. Osler & Hammond of \$5,000,000 Province of Ontario Treasury Bills in May, 1923. Carried.

It was moved by Mr. Price and seconded by Mr. Keefer,

That Douglas K. Ridout, of the City of Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, bank accounts and bank books, and memoranda in writing, in his custody or power, relating to or containing any entries or reference to the purchase made by him of \$10,000,000 Province of Ontario Treasury Bills in April, 1923. Carried.

The Committee adjourned to Friday, March 14th, 1924, at 10 A.M. Read and confirmed,

March 14th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Friday, March 14th, 1924.

The Committee met at 10 A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Acres, Berry, Bradburn, Carmichael, Carr, Clarke (Northumberland), Currie, Doherty, Elliott, Finlayson, Freeborn, Garden, Godfrey, Graves, Haney, Ireland, Jamieson (Grey), Keith, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, Lewis, Nickle, Oakley, Oke, Patterson, Price, Rankin, Sinclair, Tellier, Vaughan, Wallis, Weichel, Widdifield, Wigle.

The minutes of the previous meeting were read and confirmed.

Mr. Ridout, being duly sworn, was examined by Mr. Price and others.

It was moved by Mr. Price and seconded by Mr. Godfrey,

That A. Bradley Patterson, Manager of the Bank of Montreal, King and Yonge Branch, Toronto, be ordered to appear before the Public Accounts Committee, at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, bank accounts and bank

books, and memoranda in writing, in his custody or power, relating to the account or accounts of Douglas K. Ridout, during the months of April, May and June, 1923, showing all deposits and withdrawals during that period. Carried.

It was moved by Mr. Price and seconded by Mr. Godfrey,

That G. G. Adam, Manager of the Bank of Montreal, Front and Yonge Streets, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, bank accounts, and bank books and memoranda in writing, in his custody or power, relating to the purchase of \$10,000,000 of Treasury Bills of the Province of Ontario, dated April 25th, 1923, by Douglas K. Ridout, including the transfer of funds from New York to Toronto for the Province of Ontario, and for the said Douglas K. Ridout during the months of April and May, 1923. Carried.

The Committee then adjourned to Monday, March 17th, 1924, at 8 P.M.
Read and confirmed,

March 17th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Monday, March 17th, 1924.

The Committee met at 8 P.M., Mr. Lewis acting as Chairman.

Present:—Messieurs Belford, Berry, Bradburn, Carmichael, Carr, Currie, Doherty, Ecclestone, Elliott, Freeborn, Garden, Godfrey, Graves, Haney, Ireland, Keith, Kemp, Lang, Lethbridge, Lewis, McCausland, McCrea, Oakley, Price, Proulx, Rankin, Sinclair, Tellier, Vaughan, Wallis, Weichel, Widdifield, Wigle.

The minutes of the previous meeting were read and confirmed.

Mr. G. G. Adam, being duly sworn, was examined by the Hon. Mr. Price and others.

Mr. Ridout, being duly sworn, was examined by the Hon. Mr. McCrea and others.

Moved by Mr. Haney and seconded by Mr. Currie,

That the names of those to whom loans were made by D. K. Ridout, as represented by cheques presented to this Committee by said D. K. Ridout, be announced to the Committee. Carried.

Moved by Mr. Currie and seconded by Mr. McCausland,

That Messrs. J. W. Curry, K.C., A. H. Britton and W. D. Strickland, be summoned to appear before the Public Accounts Committee at the next sitting thereof and give evidence realating to certain loans and payments of money by D. K. Ridout subsequent to the purchase of Province of Ontario Treasury Bills, Series "L," \$10,000,000, by D. K. Ridout in April, 1923. Carried.

Moved by Mr. Price and seconded by Mr. Godfrey,

That Charles A. Matthews, Assistant Provincial Treasurer, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, bank accounts and bank books, and memoranda in writing, in his custody or power, relating to or containing any entry relating to any and all purchases and sales by the Provincial Securities Company of Province of Ontario debentures. Carried.

Moved by Mr. Price and seconded by Mr. Godfrey,

That George R. Harris, of the firm of Browning, Harris & Co., Bank of Hamilton Building, Hamilton, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, bank accounts and bank books, and memoranda in writing, in his custody or power, relating to or containing any entry relating to (1) any and all purchases and sales by the Provincial Securities Company of Province of Ontario debentures and inscribed stock; (2) the partnership agreement between the parties constituting the Provincial Securities Company; also to produce at the same time and place, the bank book of the said Company showing their account with the Bank of Toronto, Toronto, together with the Company's cheque book and all paid vouchers and cheques covering the period from 1st January to 1st October, 1921, and such forms as the Bank of Toronto required for the establishment of the account of the Provincial Securities Company. Carried.

The Committee then adjourned to Wednesday, March 19th, 1924, at 10 A.M. Read and confirmed,
March 19th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Wednesday, March 19, 1924.

The Committee met at 10 o'clock A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Acres, Belford, Berry, Biggs, Carmichael, Carr, Clarke (Brockville), Currie, Doherty, Ecclestone, Elliott, Finlayson, Fisher, Freeborn, Garden, Godfrey, Graves, Haney, Harcourt, Heenan, Ireland, Jamieson (Grey), Keith, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, Lewis, Mageau, Nesbitt, Nickle, Oakley, Oke, Price, Proulx, Rankin, Sinclair, Widdifield, Wigle.

The minutes of the previous meeting were read and confirmed.

Mr. A. Bradley Patterson was called and further examined by Hon. Mr. Price.

Mr. D. K. Ridout was called and further examined by Hon. Mr. Price and others.

Mr. J. W. Curry, being duly sworn, produced documents, and was examined by Mr. Currie and others.

It was moved by Mr. Price and seconded by Mr. Doherty that a sub-committee composed of the following members:—Mr. Haney, chosen by Mr. Price; Mr. Biggs, chosen by Mr. Doherty, and Mr. Proulx, chosen by Mr. Sinclair, be appointed to examine the accounts of D. K. Ridout in connection with the purchase of treasury bills—series "L"—\$10,000,000. Carried.

It was moved by Mr. Price and seconded by Mr. Oakley.

That F. G. Husband, Accountant, Bank of Toronto, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, vouchers, bank accounts and bank books, and memoranda in writing, in his custody or power, relating to the account of Provincial Securities Company in the Toronto Branch of the Bank of Toronto. Carried.

The Committee then adjourned to Friday, March 21st, 1924, at 10 A.M. Read and confirmed,
March 21st, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Toronto, March 21st, 1924.

The Committee met at 10 A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Doherty, Finlayson, Haney, Heenan, Keith, Kemp, Kennedy (Temiskaming), Lethbridge, Oakley, Price, Proulx, Sinclair and Widdifield.

The minutes of the previous meeting were read and confirmed.

The Chairman read a communication from T. M. Roadhouse, who had been ordered to appear this day, stating his inability to be present owing to illness.

It was moved by Mr. Price and seconded by Mr. Doherty.

That Paul R. Fleming of the firm of Kerr, Fleming & Company, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place all books, letters, documents, bank accounts, bank books and memoranda in writing in his custody or power relating to or containing any entry relating to any and all purchases and sales by him and his firm of Province of Ontario debentures. Carried.

It was moved by Mr. Price and seconded by Mr. Doherty,

That L. A. Winters, Treasurer of the Manufacturers' Life Insurance Company, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place all books, letters, documents, bank accounts, bank books, and memoranda in writing, in his custody or power, relating to the sale of Province of Ontario, 4 per cent. inscribed stock, due 1947, by the Manufacturers' Life Insurance Company, on or about the 11th day of February, 1921. Carried.

It was moved by Mr. Price and seconded by Mr. Doherty,

That Edward M. Saunders, Treasurer of the Canada Life Assurance Company, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence and produce at the same time and place all books, letters, documents, bank accounts, bank books, and memoranda in writing in his custody or power, relating to the sale by the Canada Life Assurance Company of Province of Ontario, 4½ per cent., inscribed stock, due 1945-65 to Messrs. Morgan-Dean, Harris & Company on or about the 11th day of February, 1921. Carried.

The Committee then adjourned to Monday, March 24th, at 8 o'clock P.M. Read and confirmed,

March 24th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Monday, March 24th, 1924.

The Committee met at 8 o'clock P.M., Mr. Finlayson in the Chair.

Present:—Messieurs Belford, Bradburn, Carr, Clarke (Northumberland), Currie, Doherty, Elliott, Fisher, Freeborn, Garden, Graves, Haney, Ireland, Jamieson (Grey), Keefer, Keith, Kennedy (Temiskaming), Lang, Lyons, McCrea, Nesbitt, Oakley, Price, Sinclair, Tellier, Widdifield and Wigle.

The minutes of the previous meeting were read and confirmed.

Mr. C. A. Matthews, Assistant Provincial Treasurer, being duly sworn, was examined by Hon. Mr. Price and others.

Mr. W. N. Douglas, chief clerk, Treasury Department, being duly sworn, was examined by Mr. Price and others.

Mr. George R. Harris, of Messrs. Browning, Harris & Company, Hamilton, being duly sworn, was examined by Hon. Mr. Price and others.

Mr. Edward M. Saunders, Treasurer Canada Life Assurance Company, Toronto, being duly sworn, was examined by Hon. Mr. Price and others.

Mr. L. A. Winters, Treasurer Manufacturers' Life Insurance Company, Toronto, being duly sworn, was examined by Hon. Mr. Price and others.

Mr. F. G. Husband, Accountant, Bank of Toronto, Toronto, being duly sworn was examined by Hon. Mr. Price.

It was moved by Mr. Price and seconded by Mr. McCrea,

That Garnet M. Hart, 6 Wrenson Road, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, vouchers, bank accounts and bank books and memoranda in writing, in his custody or power, relating to any and all purchases and sales by him of Province of Ontario debentures. Carried.

It was moved by Mr. Price and seconded by Mr. McCrea,

That J. D. McWilliams and J. W. Lockhart, of the firm of McWilliams and Lockhart, 272 Bay Street, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, vouchers, bank accounts and bank books, leases and memoranda in writing, in their custody or power, relating to Provincial Securities Company, and Charles Snyder, and their tenancy of or occupancy of premises in the Mail Building, Toronto. Carried.

It was moved by Mr. Price and seconded by Mr. McCrea,

That A. D. Leitch, Manager of the Standard Bank of Canada, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, vouchers, bank accounts and bank books and memoranda in writing, in his custody or power, relating to the account of G. M. Hart in the Toronto branch of the Standard Bank of Canada, and all transactions of the bank with said G. M. Hart in or about the month of August, 1921. Carried.

It was moved by Mr. Price and seconded by Mr. McCrea,

That George Hurst, of the Assessment Department of the City of Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, vouchers, returns and memoranda in writing in his custody and power, relating to the income tax return made by Douglas K. Ridout, with respect to his income during the year ending December 31st last. Carried.

It was moved by Mr. Price and seconded by Mr. McCrea,

That C. I. Lancefield, Manager Savings Department of the Royal Bank of Canada, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, vouchers, bank accounts and bank books and memoranda in writing, in his custody or power, relating to the account of G. M. Hart in the Toronto branch of the Royal Bank of Canada, between July 1st, 1921, and April 1st, 1922. Carried.

The Committee then adjourned to Tuesday, March 25th, at 8 o'clock P.M. Read and confirmed,

March 25th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Tuesday, March 25th, 1924.

The Committee met at 8 o'clock P.M., Mr. Finlayson in the Chair.

Present:—Messieurs Belford, Berry, Bradburn, Carmichael, Carr, Clarke (Brockville), Currie, Doherty, Ecclestone, Elliott, Finlayson, Fisher, Godfrey, Graves, Haney, Harcourt, Ireland, Keith, Kennedy (Temiskaming), Lang, Lethbridge, Lewis, McCausland, McCrea, Nesbitt, Oakley, Owens, Patterson, Price, Proulx, Rankin, Sinclair, Vaughan, Weichel, Wigle and Wilson.

The minutes of the previous meeting were read and confirmed.

Mr. George Hurst, Income Tax Branch, City Hall, Toronto, being duly sworn, was examined by Mr. Price and others.

Mr. C. A. Matthews, Assistant Treasurer, was called and examined by Mr. Price and others.

Mr. W. N. Douglas, Chief Clerk, Treasury Department, was called and examined by Mr. Price and others.

Mr. Garnet M. Hart, 6 Wrenson Road, Toronto, being duly sworn, was examined by Mr. Price and others.

Mr. A. D. Leitch, Manager of the Standard Bank of Canada, being duly sworn, was examined by Mr. Price and others.

Mr. Alex. Ross, Toronto, being duly sworn, was examined by Mr. Price and others.

Mr. J. D. McWilliams, of the firm of McWilliams and Lockhart, 272 Bay Street, Toronto, being duly sworn, was examined by Mr. Price.

Mr. C. I. Lancefield, Manager Savings Department, Royal Bank of Canada, Toronto, being duly sworn, was examined by Mr. Price.

It was moved by Mr. McCrea and seconded by Mr. Godfrey,

That L. C. Mason be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence relating to the purchase by L. C. Mason, of Province of Ontario inscribed stock or debentures. Carried.

It was moved by Mr. Price and seconded by Mr. McCrea,

That Frank A. Wehrle, 14 Margueretta Street, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, bank accounts and bank books and memoranda in writing, in his custody or power, relating to the purchase by the Provincial Securities Company of Province of Ontario inscribed stock or debentures. Carried.

It was moved by Mr. Price and seconded by Mr. McCrea,

That G. W. Wehrle, of the City of Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, bank accounts and bank books and memoranda in writing, in his custody or power, relating to the purchase by the Provincial Securities Company of Province of Ontario inscribed stock or debentures. Carried.

The Committee then adjourned *sine die*.
Read and confirmed,

March 31st, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Monday, March 31st, 1924.

The Committee met at 8 o'clock P.M., Mr. Finlayson in the chair.

Present:—Messieurs Acres, Belanger, Belford, Berry, Biggs, Bradburn, Carr, Clarke (Brockville), Currie, Doherty, Ecclestone, Elliott, Finlayson, Garden, Graves, Haney, Ireland, Jamieson (Grey), Keith, Kemp, Kennedy (Temiskaming), Lethbridge, Lewis, McCrea, McKeown, Nesbitt, Oakley, Patterson, Price, Proulx, Rankin, Sinclair, Tellier, Wallis, Weichel, Widdifield, Wigle.

The minutes of the previous meeting were read and confirmed.

Mr. G. T. Clarkson, of Messrs. Clarkson, Gordon & Dilworth, being duly sworn, produced documents and gave evidence relating to a rebate of \$15,000 excess profit on loan of \$4,000,000 in December, 1919, to Hon. P. Smith, Provincial Treasurer.

Mr. W. N. Douglas, being duly sworn, gave evidence relating to above.

Mr. G. A. Brown, Provincial Auditor, being duly sworn, gave evidence relating to above.

Hon. T. W. McGarry, being duly sworn, made a statement relating to his transactions with Home Bank, when Provincial Treasurer.

Mr. George R. Harris was recalled and after being examined by Hon. Mr. Price and others, was ordered to appear at next sitting of Committee.

It was moved by Hon. Mr. Price and seconded by Mr. Ireland,

That J. A. Gairdner, of the firm of Gairdner, Clark & Company, 130 Bay Street, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence, and produce at the same time and place, all books, letters, documents, vouchers, bank accounts and bank books and memoranda in writing, in his custody or power, relating to any sale or sales to the Province of debentures of the Province of Ontario during the years 1922 and 1923. Carried.

It was moved by Mr. Currie and seconded by Mr. Ireland,

That Messrs. A. E. Calvert, Home Bank, Toronto, J. C. Whittaker, Home Bank, Toronto, and John Stewart Skeaff, Bank of Toronto, Toronto, be ordered to appear before the Public Accounts Committee at the next sitting thereof and give evidence relating to rebate of \$15,000 to Province of Ontario, of excess profit on loan. Carried.

It was moved by Mr. Manning Doherty and seconded by Mr. Lethbridge,

That Mr. R. E. M. Meighen be summoned before this Committee to give evidence in connection with items referred to in the Public Accounts, and that he be instructed to prepare a statement from the Government records showing in itemized form a list of all estates which paid succession duty to the Province from November 1st, 1919, to October 31st, 1923, and in which succession duty free bonds formed a part of the estate, the value of each estate as probated, the par value of the succession duty free securities in each, the amount of succession duty paid to the province in each case, the amount of succession duty which would have been due the province in each case if the succession duty free securities had been represented by equal value of securities subject to succession duties. Carried.

It was moved by Mr. Price and seconded by Mr. McCrea,

That an executive member of each of the following firms of the city of Toronto, be ordered to appear before the Public Accounts Committee at the

next sitting thereof and give evidence, and produce at the same time and place all books, letters, documents, vouchers, bank accounts and bank books and memoranda in writing in his custody or power of their respective firms, relating to any sale or sales to the Province of debentures or inscribed stock of the Province of Ontario during the years 1921, 1922 and 1923: Messrs. A. E. Ames & Company, F. H. Deacon & Company, Donald, Mason, White & Gould, Dominion Securities Corporation, Dymont, Anderson & Company, Harris, Forbes & Company, Æmilius Jarvis & Company, W. A. MacKenzie & Company, MacNeil, Graham & Company, McLeod, Young & Weir, R. C. Matthews & Company, Osler & Hammond, The Toronto General Trusts Corporation, and Messrs. Wood, Gundy & Company. Carried.

The Committee then adjourned to Wednesday, April 2nd, at 10 A.M.

Read and confirmed,
April 2nd, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Wednesday, April 2nd, 1924.

The Committee met at 10 A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Belanger, Berry, Biggs, Bradburn, Carr, Clarke (Brockville), Currie, Doherty, Ecclestone, Elliott, Finlayson, Fisher, Freeborn, Garden, Graves, Haney, Harcourt, Hillmer, Ireland, Jamieson (Grey), Keefer, Keith, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, Lewis, McCausland, McCrea, McKeown, Mageau, Morel, Nickle, Oakley, Oke, Price, Proulx, Rankin, Sinclair, Tellier, Vaughan, Wallis, Weichel, Widdifield and Wilson (Windsor).

The minutes of the previous meeting were read and confirmed.

Mr. J. C. Whittaker, of the Home Bank, being called, was duly sworn, and gave evidence relating to commissions paid by Home Bank for securing deposits.

Mr. W. N. Douglas, chief clerk, Treasury Department, being duly sworn, gave evidence relating to purchase of stock from Messrs. Browning, Harris & Company.

Mr. George R. Harris was recalled and produced documents which were handed over to Messrs. Clarkson, Gordon & Dilworth for examination.

The Committee then adjourned to Friday, April 4, 1924, at 10 o'clock A.M.
Read and confirmed.

April 4th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Friday, April 4th, 1924.

The Committee met at 10 A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Belanger, Berry, Carr, Clarke (Brockville), Clarke (Northumberland), Currie, Doherty, Elliott, Finlayson, Fisher, Freeborn, Garden, Godfrey, Graves, Haney, Hillmer, Jamieson (Grey), Keith, Kemp, Lethbridge, Lewis, McCrea, McKeown, MacBride, Nickle, Oakley, Oke, Price, Proulx, Rankin, Sinclair, Tellier, Vaughan, Weichel, Widdifield and Wigle.

The minutes of the previous meeting were read and confirmed.

Hon. Mr. Doherty, by permission of the Committee, made a statement in reference to summoning the Hon. Peter Smith to appear before the Committee.

Mr. A. E. Calvert, Manager Home Bank, Toronto Branch, being duly sworn, gave evidence relating to commissions paid by Home Bank for Province of Ontario deposits.

Miss R. Virtue, who had been Secretary to General Manager of the Home Bank, being duly sworn, gave evidence relating to the above.

The Committee then adjourned to Monday, April 7th, 1924, at 8 o'clock P.M.

Read and confirmed,
April 7th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Monday, April 7th, 1924.

The Committee met at 8 o'clock P.M., Mr. Finlayson in the Chair.

Present:—Messieurs Belford, Berry, Biggs, Bradburn, Carr, Clarke (Brockville), Currie, Doherty, Ecclestone, Elliott, Finlayson, Fisher, Freeborn, Garden, Graves, Haney, Harcourt, Heenan, Ireland, Jamieson (Grey), Kemp, Lethbridge, McCausland, McCrea, McKeown, MacBride, Mageau, Nesbitt, Oakley, Owens, Patterson, Price, Proulx, Rankin, Sinclair, Vaughan, Weichel, Widdifield, Wigle.

The minutes of the previous meeting were read and confirmed.

Mr. W. N. Douglas, being duly sworn, gave evidence relating to purchase of stock from Messrs. Jarvis & Company.

Mr. R. R. Rogers, being duly sworn, was examined by Mr. Price and others concerning bond transactions between the Province and Jarvis & Company.

Mr. Alex. Ross, being duly sworn, gave evidence relating to bond transactions between the Province and the Home Bank.

The Committee then adjourned to Wednesday, April 9th, 1924, at 11 o'clock A.M.

Read and confirmed,
April 9th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Wednesday, April 9th, 1924.

The Committee met at 11 o'clock A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Belanger, Belford, Biggs, Bradburn, Carr, Clarke (Brockville), Clarke (Northumberland), Doherty, Ecclestone, Elliott, Finlayson, Fisher, Freeborn, Haney, Heenan, Keefer, Keith, Kemp, Kennedy (Temiskaming), Lethbridge, Lewis, McKeown, Mageau, Nixon, Patterson, Price, Proulx, Rankin, Sinclair, Wallis, Weichel, Widdifield.

The minutes of the previous meeting were read and confirmed.

Mr. Alfred V. Young, being duly sworn, gave evidence relating to bond and treasury bills transactions between the Province and Messrs. Jarvis & Company.

Mr. Edward H. McMillan, being duly sworn, was examined by Mr. Price and others, regarding bond transactions between the Province and Messrs. Jarvis & Company.

It was moved by Mr. Sinclair and seconded by Mr. Fisher,

That Hon. T. W. McGarry, Hon. Peter Smith, C. A. Matthews, C. H. Sproule, L. C. Mason and G. T. Clarkson be summoned before this Committee on Friday, April 11th, 1924, to give evidence regarding commissions paid on Provincial deposits in the Home Bank and also regarding commissions paid on the sales of Provincial securities, and to produce before the Committee all books and documents in any way relating to such transactions. Carried.

It was moved by Mr. Lewis and seconded by Mr. Belford,

That G. L. McHattie, Manager Bank of Toronto, Stratford Branch, be ordered to appear before the Public Accounts Committee at the next sitting thereof to give evidence and produce at the same time and place all books, documents, bank accounts and bank books, deposit slips, and memoranda in writing in his custody or power, relating to the account or accounts of the Hon. Peter Smith in the Bank of Toronto, Stratford Branch, from November 15th, 1919, to July 15th, 1923. Carried.

The Committee adjourned to Friday, April 11th, 1924, at 10 o'clock A.M. Read and confirmed,

April 11th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Friday, April 11th, 1924.

The Committee met at 10 o'clock A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Acres, Belanger, Belford, Biggs, Bradburn, Carr, Clarke (Brockville), Clarke (Northumberland), Currie, Doherty, Ecclestone, Elliott, Finlayson, Fisher, Freeborn, Garden, Godfrey, Graves, Haney, Harcourt, Heenan, Ireland, Jamieson (Grey), Kemp, Kennedy ((Temiskaming), Lethbridge, McKeown, MacBride, Mageau, Morel, Nickle, Oakley, Owens, Patterson, Price, Proulx, Raney, Sinclair, Tellier, Vaughan, Wallis, Weichel, Widdifield, Wigle.

The minutes of the previous meeting were read and confirmed.

Hon. T. W. McGarry appeared before the Committee and made a statement relating to his transactions as Provincial Treasurer, with the Home Bank.

Mr. Harry G. Pepall, of Messrs. Jarvis & Company, being duly sworn was examined by Mr. Price and others.

It was moved by Mr. Manning W. Doherty and seconded by Mr. Widdifield.

That M. J. Haney, of Port Credit, late President of the Home Bank of Canada, be summoned before this Committee to give evidence as to sales of bonds and treasury bills made by the Province to or through the Home Bank of Canada, and as to commissions or other considerations given by the Home Bank of Canada to influence the placing of Provincial deposits. Carried.

It was moved by Mr. J. A. Currie and seconded by Mr. M. M. MacBride,

That the Public Accounts Committee of the Provincial Legislature of the Province of Ontario hereby instruct Mr. G. T. Clarkson to cause an investigation to be made of the account or accounts of the Hon. Peter Smith with the Bank of Toronto at Stratford, Ontario, covering the years 1920, 1921, 1922 and 1923, and that the said G. T. Clarkson be further authorized to examine all the books, papers, documents, cheques, deposit slips, vouchers, and all other papers or memoranda in connection with the said account, for the purpose of preparing memoranda in reference to the same, and that the said G. T. Clarkson be

instructed to produce such of the said documents, papers, books of account, etc., as he may think necessary before the said Committee, and with power to make copies of the same and such extracts therefrom as he in his discretion may think necessary. The said G. T. Clarkson is further authorized to instruct Mr. G. L. McHattie as to which of the said documents, books, papers, memoranda, etc., that he shall produce before the said Committee. Carried.

The meeting adjourned to Monday, April 14th, 1924, at 11 o'clock A.M.
Read and confirmed,
April 14th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Monday, April 14th, 1924.

The Committee met at 11 o'clock A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Belanger, Belford, Berry, Biggs, Bradburn, Carr, Clarke (Brockville), Currie, Doherty, Ecclestone, Elliott, Finlayson, Freeborn, Garden, Graves, Haney, Harcourt, Heenan, Hillmer, Ireland, Kemp, Kennedy, (Temiskaming), Lang, Lethbridge, McKeown, MacBride, Nesbitt, Nickle, Nixon, Oakley, Owens, Patterson, Price, Proulx, Rankin, Sinclair, Widdifield, Wigle.

The minutes of the previous meeting were read and confirmed.

Mr. A. E. Nash, of Messrs. Clarkson, Gordon & Dilworth, being duly sworn, produced documents and gave evidence relating to the bank account and accounts of the Hon. Peter Smith in the Bank of Toronto, Stratford Branch.

Mr. Geo. L. McHattie, being duly sworn, was examined by Mr. Finlayson and others in connection with bank accounts of Hon. Peter Smith in the Bank of Toronto, Stratford Branch.

Hon. Peter Smith, on being called, refused to take the oath or give evidence.

It was moved by Mr. Currie and seconded by Mr. McKeown,

That Clarkson, Gordon & Dilworth make an examination, similar to that made in the Bank of Toronto, Stratford Branch, of the account or accounts of the Hon. Peter Smith in the Bank of Nova Scotia, Stratford Branch, or in any other banks or bond, trust or mortgage corporations in which the said Hon. Peter Smith had an account or accounts. Carried.

It was moved by Mr. Currie and seconded by Mr. Rankin,

That the Chairman of the Public Accounts Committee prepare and present to the Legislative Assembly of the Province of Ontario an interim report of the Public Accounts Committee of the Legislative Assembly of the Province of Ontario. Carried.

The meeting adjourned at 10 o'clock A.M., April 15th, 1924.
Read and confirmed,
April 15th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Tuesday, April 15th, 1924.

The Committee met at 11 o'clock A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Belanger, Belford, Berry, Biggs, Bradburn, Carr, Clarke (Brockville), Currie, Doherty, Ecclestone, Elliott, Finlayson, Freeborn,

Garden, Graves, Haney, Harcourt, Heenan, Hillmer, Ireland, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, McKeown, MacBride, Nesbitt, Nickle, Nixon, Oakley, Owens, Patterson, Price, Proulx, Rankin, Sinclair, Widdifield, Wigle.

The minutes of the previous meeting were read and confirmed.

Moved by Mr. Sinclair and seconded by Mr. Fisher,

That J. C. Whittaker be summoned before this Committee on Wednesday, April 16th, to give evidence regarding all matters pertaining to the loan of \$4,000,000 on September 23rd, 1919, and all commissions paid in connection with the same by the Home Bank or others, and to produce before the Committee all documents in his power or possession relating to the same in any way. Carried.

Mr. W. R. Fleming, former Manager of the Bond Branch of the Home Bank, being duly sworn, was examined by Hon. Mr. Price and others.

Mr. A. E. Nash, on being recalled, was further examined by Hon. Mr. Price and others.

The Committee then adjourned until three o'clock.

Mr. R. E. M. Meighen, Solicitor to the Succession Duty Branch, being duly sworn, produced documents and gave evidence relating to succession duty free bonds.

Mr. Paul R. Fleming, of Kerr, Fleming & Company, being duly sworn, gave evidence relating to the sale of inscribed stock and debentures to the Province of Ontario.

Mr. A. E. Nash, on being recalled, was further examined by Hon. Mr. Price and others.

Mr. M. N. Douglas, on being recalled, was further examined by Hon. Mr. Price and others.

Mr. C. H. Sproule, formerly Assistant Treasurer, being duly sworn, was examined by Hon. Mr. Price and others.

Moved by Mr. Rankin and seconded by Mr. Sinclair.

That the motion, moved by Mr. Currie and seconded by Mr. McKeown, and passed by the Committee on the 14th day of April, authorizing Clarkson, Gordon & Dilworth to examine the accounts of Hon. Peter Smith in the Bank of Nova Scotia, Stratford Branch, and in the British Mortgage and Loan Company, Stratford, be rescinded. Carried.

The meeting adjourned at 10 o'clock A.M., April 16th, 1924.
Read and confirmed,

April 16th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Wednesday, April 16th, 1924,

The Committee met at 10 o'clock A.M., Mr. Finlayson in the Chair.

Present:—Messieurs Belanger, Belford, Biggs, Bradburn, Carmichael, Clarke (Brockville), Currie, Elliott, Fisher, Freeborn, Godfrey, Graves, Haney, Harcourt, Heenan, Hillmer, Ireland, Jamieson (Grey), Keith, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, McCrea, McKeown, MacBride, Nesbitt, Oakley, Owens, Patterson, Price, Proulx, Rankin, Sinclair, Vaughan, Wallis, Weichel, Widdifield, Wilson (Windsor).

The minutes of the previous meeting were read and confirmed.

Mr. Haney presented the report of the sub-committee appointed to examine the accounts of D. K. Ridout.

Moved by Mr. Haney, and seconded by Mr. Proulx.

That the report of the sub-committee be adopted and incorporated in the report of the Public Accounts Committee to the Legislature. Carried.

A. E. Nash on being recalled was further examined by Mr. Price and others.

Hon. F. C. Biggs, on being duly sworn, made a statement relating to bond transactions—Browning, Harris & Company, and Provincial Securities Company.

The Committee then adjourned until 3 o'clock P.M.

Hon. T. W. McGarry, being recalled, was further examined by Mr. Sinclair.

Mr. G. T. Clarkson, being recalled, was further examined by Hon. Mr. Price and others.

Mr. J. C. Whittaker, on being recalled, was further examined by Mr. Sinclair and others.

Moved by Mr. Graves and seconded by Mr. MacBride,

That Clarkson, Gordon & Dilworth, Auditors, be authorized to make an examination of any accounts of the late J. Cooper Mason with the Central Canada Loan Corporation and report to this Committee to-morrow, April 17th, 1924. Carried.

Mr. Geo. R. Harris, being recalled, was further examined by Hon. Mr. Price and others.

Mr. R. O. Denman, of Browning, Harris, Denman & Company, Hamilton, being duly sworn, was examined by Mr. Price and others.

Moved by Mr. Price and seconded by Mr. Currie,

That the Chairman and Mr. G. T. Clarkson secure a member of the medical profession to go with them during adjournment to secure a signed declaration from Mr. M. J. Haney relating to certain charges pertaining to the transferring of moneys to Parliament Buildings. Carried.

Moved by Mr. Price and seconded by Mr. Currie,

That Inspector Cuddy be instructed to remain with Mr. Geo. Harris during adjournment and prevent him conversing with anyone in connection with matters before the Committee. Carried.

The Committee then adjourned until 9 o'clock P.M.

The chairman presented the following declaration sworn to by Mr. M. J. Haney:

| | |
|---------------------|--|
| Province of Ontario | In the matter of an enquiry before the Public |
| County of York: | Accounts Committee of the Legislative Assembly |
| | of Ontario. |

I, Michael John Haney, of the City of Toronto, in the County of York, Gentleman, do solemnly declare:

1. That I was President of the Home Bank of Canada during the year 1919, and I well knew J. Cooper Mason, who was the General Manager of the said Bank during that year.

2. That I never at any time in September, 1919, or at any other time, received \$25,000 or any other amount, from the said J. Cooper Mason, or any one in connection with the said Home Bank, for any person or party at this Parliament Building, or to be sent there.

3. That I never at any time paid any sum whatever to the Hon. Thomas McGarry for commission or any other payment or contribution either directly or indirectly, or for any contribution to any party funds.

And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force as if made under oath and by virtue of the Canada Evidence Act.

Sworn before me at the City of Toronto,
in the County of York, this 16th day of
April, 1924.

W. FINLAYSON,
A Notary Public.

M. J. HANEY.

Inspector Cuddy being duly sworn, made a statement regarding his efforts to locate C. A. Matthews and L. C. Mason.

Mr. Geo. R. Harris, on being recalled, was further examined by Hon. Mr. Price and others and ordered to appear at the next sitting of the Committee.

The Committee then adjourned to Thursday, April 17th, 1924.

Read and confirmed,

April 17th, 1924.

Public Accounts Committee Room,
Parliament Buildings,
Thursday, April 17th, 1924.

The Committee met at 10.30 o'clock A.M., Mr. Finlayson in the Chair.

Present:—Messrs. Belanger, Belford, Biggs, Bradburn, Carmichael, Clarke (Northumberland), Currie, Doherty, Ecclestone, Elliott, Finlayson, Garden, Graves, Harcourt, Ireland, Keith, Kemp, Kennedy (Temiskaming), Lang, Lethbridge, McKeown, Oakley, Owens, Price, Proulx, Sinclair, Widdifield.

The minutes of the previous meeting were read and confirmed.

Mr. A. E. Nash, on being recalled, was examined by Mr. Price and others regarding the account of J. Cooper Mason with the Central Canada Loan.

Hon. F. C. Biggs was recalled and further examined by Mr. Price and others.

It was moved by Mr. Belford and seconded by Mr. Rankin,

That Messrs. Clarkson, Gordon & Dilworth be authorized to examine all bank books, bank accounts, deposit slips or any other documents relating to the account or accounts of Mr. George R. Harris or Mrs. George R. Harris or any joint account of Mr. George R. Harris and Mrs. George R. Harris in any bank or banks, and make a report to the Attorney-General, copy of which shall be attached to the report of the Public Accounts Committee. Carried.

It was moved by Mr. Currie and seconded by Mr. Rankin,

That Messrs. Clarkson, Gordon & Dilworth be authorized to examine the accounts of D. K. Ridout, relating to commissions on Provincial Insurance. Carried.

It was moved by Mr. Belanger and seconded by Mr. Fisher,

That Messrs. Clarkson, Gordon & Dilworth, auditors, be authorized to examine the bank books, bank accounts, deposit slips or any documents relating to the account or accounts of Chas. A. Matthews in any bank or banks. Carried.

The Committee met at 2.30 o'clock P.M.

The Chairman presented the report of the Committee, which was adopted after consideration, with one amendment.

Read and confirmed,

April 17th, 1924.

The Committee then adjourned for the session.

PUBLIC ACCOUNTS COMMITTEE

The Committee held its first meeting, for organization purposes, Friday morning, March 7th, 1924, at 10.30 A.M.

HON. W. H. PRICE, K.C., Provincial Treasurer: Gentlemen, will you come to order? Gentlemen, this is the first meeting of the Public Accounts Committee and I would suggest that we select Mr. Finlayson as chairman of the Committee, if that is satisfactory to honourable gentlemen.

HON. MANNING DOHERTY: I second that.

MR. PRICE: Carried.

MR. FINLAYSON (in the Chair): Mr. Treasurer and Gentlemen of the Committee, I do not propose to make any speech as Chairman of this Committee; that will be dispensed with. Mr. Regan of the Department has been appointed Secretary, and I will ask him to call the roll.

The Secretary called the roll.

THE CHAIRMAN: Apparently we have a quorum. This is only intended as an organization meeting. Are there any motions for to-day?

MR. OWENS: Mr. Chairman, I beg to move, seconded by Mr. Bradburn,

That the Deputy Provincial Treasurer, C. A. Matthews, be summoned to appear before this Committee at its next sitting, to give evidence regarding this item following, to produce all papers and books and documents relating to the same.

Page 12 Public Accounts—Treasury Bills, Series "L"—\$9,703,750.

Page 12 Public Accounts—Treasury Bills, Series "M"—\$5,000,000.

THE CHAIRMAN: You have heard the motion! It has been moved by Mr. Owens, seconded by Mr. Bradburn, That the Deputy Provincial Treasurer, C. A. Mathews, be summoned to appear before this Committee at its next sitting, to give evidence regarding this item following, to produce all papers and books and documents relating to the same.

Treasury Bills, Series "L" \$9,703,750

Treasury Bills, Series "M" 5,000,000

Carried.

THE CHAIRMAN: Any other motions? The practice of the Committee, as I understand it, has been to meet Wednesday and Friday morning. A motion to adjourn until Wednesday, if there is no other business, would be in order.

HON. MR. BIGGS: I move we adjourn.

HON. MR. PRICE: Is there any other business that honourable gentlemen want to come before the Committee next Wednesday? This meeting, of course, is for the purpose of organization. There are no witnesses that can be examined this morning referring to any of the items in the Public Accounts, and the only way you can get witnesses here is by using the method of putting a motion before the Committee and asking them to come here.

For those who are not familiar with the practice, all these items in Public Accounts are for your consideration. It is really the statement brought down by the Treasurer, and you can ask for an explanation of any of them. So that if any time you desire to have any item explained, all you have to do is to put a motion before the Committee, like has been done this morning. If you want anything further to come up on Wednesday, why, of course, now is your opportunity. If not you can prepare anything you like and on Wednesday move it to come up on Friday, or subsequent meetings.

I thought probably it would be wise to bring this to your attention, because we can get on with the business quicker if you have the information.

HON. MANNING DOHERTY: I assume it is your intention to have an investigation carried on into these Succession Duty Free Bonds?

HON. MR. PRICE: Yes, yes.

THE CHAIRMAN: Any other resolutions as to other matters? If not I will put the motion of Hon. Mr. Biggs, seconded by Mr. Heenan, that the Committee now adjourn until Wednesday next at 10.30 A.M. Carried.

The Committee then adjourned.

PUBLIC ACCOUNTS COMMITTEE

The Committee met at 10.30 A.M., Wednesday, March 12th, 1924, with Mr. W. J. Finlayson in the Chair.

THE CHAIRMAN: There is one letter that came in this morning which I would like to read to the Committee, from Mr. G. R. Harris.

"The company in which I was interested has been prominently mentioned in this connection, in fact singled out for attack, although I was only one of the many who sold such bonds, and the amount sold by my company is comparatively small compared with the others."

"I have no hesitation in assuring your Committee that any bond transactions in which I was engaged either directly or indirectly with the Government was such as I have no reason to be ashamed of, or which will in the slightest degree reflect either upon the late Government or myself, and in view of the publicity that has been given me and the unfair insinuations made, I trust you will at the earliest possible date give me an opportunity of appearing before your Committee so that you, and through you the public, may be fully acquainted with the matter referred to so far as I have any knowledge of same."

I have answered that the letter will be brought to the attention of the Committee and when the matter is before the Committee he will be advised.

Deputy Provincial Treasurer C. A. Mathews called.

Sworn; examined by Hon. W. H. Price, K.C.

MR. PRICE: I thought, gentlemen, I had better examine Mr. Mathews to bring the files before the Committee and then it would be open for general examination.

Q.—Mr. Mathews, you are the Assistant Provincial Treasurer?

A.—Yes, sir.

Q.—How long have you occupied that position?

A.—Since September, 1920.

Q.—How long have you been in the Department altogether?

A.—Since March 1st, 1905.

Q.—What position did you hold before you became Assistant Provincial Treasurer?

A.—Clerk and Minister's secretary.

Q.—Referring to what is known on the records as "L" Treasury Bills, 21st of April, 1923, will you produce the file of the Department?

A.—This is it, sir.

Q.—The file of the Department on these Treasury Bills produced by Mr. Mathews, marked as Exhibit 1.

THE CHAIRMAN: I imagine the best way would be to get a stamp and mark these exhibits; in the meantime the Treasurer proposes to use copies, so that the originals will be in the Department?

MR. FISHER: Where will they be between sittings of the Committee?

THE CHAIRMAN: They will remain with the Treasury Department.

MR. FISHER: Available for inspection?

THE CHAIRMAN: Certainly.

MR. PRICE: With the Secretary of the Committee, who is in the Treasury Department.

MR. PRICE: Included in the file are the following documents:

Letter dated April 20, 1923, from Douglas K. Ridout to Hon. Peter Smith.

Letter in reply, dated April 20, 1923, from the Hon. Peter Smith to Douglas K. Ridout.

Recommendation of the Provincial Treasurer to Council, dated April 23rd, 1923.

Recommendation by the Provincial Treasurer as to form of Treasury Bill, dated April 23rd, 1923.

Order-in-Council providing for Treasury Bills, dated April 23rd, 1923.

Order-in-Council providing for the form of the Treasury Bill, dated April 23rd, 1923.

Letter of the Assistant Treasurer, dated April 24th, 1923, to the Manager of the Bank of Montreal, Toronto.

A duplicate copy of the same letter.

Letter dated April 25th, 1923, from the Assistant Treasurer to the agents of the Bank of Montreal, 64 Wall Street, New York.

A duplicate of that letter.

Letter dated April 25th, 1923, from the agent of the Bank of Montreal in New York to the Assistant Treasurer, C. A. Mathews.

A duplicate of that letter.

Letter dated May 1st, 1923, from the agent of the Bank of Montreal, New York, to C. A. Mathews, Assistant Treasurer.

A duplicate of that letter.

Another duplicate of that letter, dated May 1st, 1923.

Copy of a letter from, I presume it is Douglas K. Ridout, to the agents of the Bank of Montreal, New York, and on the Bank of Montreal, New York, paper.

Letter dated May 7th, 1923, from Assistant Treasurer to D. K. Ridout.

A memo showing the discount on \$5,000,000 of Treasury Bills as \$144,245.45.

On May 1st, a copy of a letter from the Assistant Treasurer to the agents of the Bank of Montreal, New York.

Mr. Chairman, that will identify all the documents in this file, and for convenience I proposed to file a copy of them all so that the originals will remain in the Department with the Secretary.

Q.—Mr. Mathews, what was the first you recollect of this transaction?

A.—I recollect the loan, yes, sir.

Q.—Treasury Bill "L." What was the first you heard of the transaction?

A.—I think the first I heard was when I was handed a letter to put through the loan.

Q.—That is the letter from Mr. Ridout?

A.—Yes, sir.

Q.—The letter from Mr. Ridout reads as follows:—

Toronto, April 20th, 1923.

The Hon. Peter Smith,
Provincial Treasurer,
Parliament Buildings, Toronto, Ontario.

Dear Sir,—I hereby make an offer to discount \$10,000,000 Province of Ontario Treasury Bills, same to be issued for a period of eight months and to be made payable at the Bank of Montreal, New York City, the proceeds of \$5,000,000 of this amount to be paid over this month on delivery of said Treasury Bills to the Royal Bank of Canada, Church Street Branch, Toronto. The balance of \$5,000,000 to be taken up before the 15th day of May. These bills to be discounted on the basis of $4\frac{1}{2}$ per cent. per annum and to be paid for in Canadian funds, the time being calculated at the rate of thirty days to the month, the Province to pay for the usual legal option."

"I understand that the loan will be made under Seven George 5th, Chapter 3, the Act respecting redemption of certain Ontario Government Stocks of \$17,000,000 of which \$6,800,000 has already been issued, and you have paid in altogether of this Old Country Stock \$12,240,162.91, which leaves sufficient balance for this loan.

This offer is to remain in force for to-day only.

Yours very truly,

DKR-C

(Sgd.) Douglas K. Ridout."

Q.—Did you see that letter, Mr. Mathews, when it came in, at first?

A.—I should not think so. It did not come to me first.

Q.—Well, then, it came to the Hon. Peter Smith. Did he show you the letter after it came in?

A.—I don't think so. I cannot say definitely.

Q.—Did you see it before it was accepted, the offer was accepted by the Minister?

A.—I am not clear on that point.

Q.—From whom did you receive this letter? You were handed this letter to carry out the deal. From whom did you receive it?

A.—From the Minister's office.

Q.—Can you say from the Minister himself, or from the Secretary?

A.—I cannot say which.

Q.—When you received it, had it been accepted?

A.—I am not sure.

Q.—Did you have anything to do with the framing of the acceptance of it?

A.—No, sir. Well—

Q.—I will read that. When you received the letter did you receive the Minister's acceptance with it?

A.—I am not sure.

Q.—Well, was it a completed transaction when you received it?

A.—I am not sure on the point, sir.

Q.—Well, you received instructions to carry it out when you received it?

A.—Yes, sir.

Q.—Would it be a completed transaction or not then?

A.—I assume it would be completed.

THE CHAIRMAN: In other words, were you consulted as to the policy of the loan?

A.—Oh no, sir.

MR. PRICE: Then the acceptance of this offer is dated April 20, 1923, from the Provincial Treasurer, to Douglas K. Ridout, and reads as follows:—

Toronto, April 20th, 1923.

Dear Sir,—

On behalf of the Province of Ontario I hereby accept the offer set out in your letter of even date of \$10,000,000 Province of Ontario Treasury Bills on the following basis:—

You are to pay the Province in Canadian funds on delivery of said Bills at the Royal Bank of Canada, Church Street Branch, Toronto. The Province will accept the proceeds of \$5,000,000 on Wednesday, the 25th instant, and the balance on or before the 10th day of May, 1923, legal option to be paid by you.

Yours very truly,

Provincial Treasurer.

Douglas K. Ridout, Esq.,
Union Bank Building, Toronto.

Q.—Well, when you received instructions to carry out this loan, what was the first thing you did?

A.—Ask the Solicitor to prepare the recommendation to Council.

Q.—And did you assist him in that?

A.—No, sir. Well, I think I gave him the letter to go by. I am not sure. I gave him all the particulars of it anyway, sufficient to enable him to prepare the Order in Council recommended

Q.—He would simply have Mr. Ridout's letter and copy of Mr. Smith's reply?

A.—I am not sure that he would have the copy of Mr. Smith's reply.

Q.—Well, you remember what you handed to him?

A.—No, sir. I do not. I would not say positively I did hand him that letter.

Q.—You may have handed him a memo?

A.—I may have given him the particulars. Frequently I have done so.

Q.—Just at that time did you have a conference with Mr. Smith over this loan, before it was accepted, or at the time it was accepted?

A.—I don't recall that I had.

Q.—Can you get your mind working on that?

A.—Yes.

Q.—Whether you had or not; as to the advisability of placing this loan?

A.—Well, I cannot say I had anything to say to him about the advisability of placing this particular loan. But we needed the money and I had brought that to his attention some time.

Q.—Did you have a talk with Mr. Douglas K. Ridout before it was accepted?

A.—I cannot say definitely I did. I don't think so.

Q.—Were you in conference with Mr. Ridout and Mr. Smith?

A.—I don't think so.

Q.—Well, when was the first you saw Mr. Ridout on this transaction?

A.—I cannot place it definitely, sir.

Q.—Well, say on this day or the next day?

A.—I assume it would be that day. I may have seen him. He would likely to come to see me about arranging the details.

Q.—Well, then the Solicitor to the Treasury would prepare the Orders in Council and the recommendations?

A.—Yes, sir.

Q.—They would go to Council?

A.—Yes, sir.

Q.—I will read into the records the recommendation of the Treasurer.

To His Honour the Lieutenant-Governor in Council:

The undersigned has the honour to recommend that pursuant to the provisions of Statutes of Ontario, 1917, Chapter 3, and for the purpose of redeeming a portion of the outstanding inscribed Ontario Government Stock therein mentioned, the Treasurer of Ontario be authorized to raise by way of loan the sum of Ten Million Dollars by the issue and sale by way of discount of eight hundred Treasury Bills, four hundred of Ten Thousand Dollars each, amounting in the whole to the sum of Ten Million Dollars (\$10,000,000), dated the 25th day of April, 1923, due 21st December, 1923, payable in gold coin of the United States of America of the present standard of weight and fineness without interest at the Bank of Montreal in the City of New York, U.S.A., and that said Treasury Bills be a charge upon the Consolidated Revenue Fund.

The undersigned has the honour to recommend further that the Treasurer of Ontario be authorized to discount said Treasury Bills at a rate not to exceed five per centum per annum, and that said Bills be issued upon the credit of the Consolidated Revenue Fund for the purpose mentioned in the said Act, and that the Treasurer of Ontario be empowered to use said Bills for that purpose.

Toronto, April 23rd, 1923.

Provincial Treasurer.

MS.

MR. FISHER: Does that mention the time? How long they were to run?

MR. PRICE: For eight months.

MR. PRICE: Then your recommendation as to the form:—

To His Honour the Lieutenant-Governor in Council:

The undersigned has the honour to recommend that the issue of Treasury Bills authorized by Orders in Council bearing date the 23rd day of April, 1923, passed pursuant to the provisions of Chapter 3, Statutes of Ontario, 7 George V, be in the following form or to the like effect:

No.

Due December 31st, 1923.

DOMINION OF CANADA
PROVINCE OF ONTARIO
TREASURY BILL

Toronto, April 25th, 1923.

This Treasury Bill entitles the bearer to payment of Ten thousand dollars (\$10,000) in gold coin of the United States of America of the present standard of weight and fineness at the Agency of the Bank of Montreal in the City of New York, U.S.A., on the 21st day of December, 1923, without interest, and without days of grace.

This is one of a series of eight hundred Treasury Bills, four hundred of the

denomination of Ten thousand dollars each, numbered L-001 to L-400 (inclusive), and four hundred of the denomination of Fifteen thousand dollars each, numbered L-401 to L-800 (inclusive), amounting in the whole to the sum of Ten million dollars (\$10,000,000) issued under 7 George V, Ontario, Chapter 3, and under Orders of the Lieutenant-Governor in Council passed the 23rd day of April, 1923.

.....
 Officer of the Treasury Department.
 (Seal)

.....
 Treasurer of Ontario.

The undersigned has the honour to recommend further that the said Treasury Bills shall have engraved or printed thereon the signature of the Treasurer of Ontario and shall be sealed with his seal and countersigned by any officer of the Treasury Department appointed by Order in Council for such purpose and when so executed shall be binding upon the Province of Ontario.

Toronto, April 23, 1923.
 M.S.

Provincial Treasurer.

MR. PRICE: Then the Order in Council providing for that is as follows:—
 To His Honour Henry Cockshutt, Lieutenant-Governor of the Province of Ontario:
 Report of a Committee of the Executive Council on matters referred to their consideration.

Present: The Honourable

Mr. Raney (in the Chair)
 Mr. Nixon
 Mr. Smith
 Mr. Bowman
 Mr. Doherty
 Mr. Grant
 Mr. Rollo
 Mr. Mills
 Mr. Carmichael.

ON MATTERS OF STATE

May it please Your Honour:

Upon the recommendation of the Honourable the Provincial Treasurer, the Committee of Council advise that pursuant to the provisions of Statutes of Ontario, 1917, Chapter 3, and for the purpose of redeeming a portion of the outstanding inscribed Ontario Government Stock therein mentioned, the Treasurer of Ontario be authorized to raise by way of loan the sum of Ten Million Dollars by the issue and sale by way of discount of eight hundred Treasury Bills, four hundred for Ten Thousand Dollars each and four hundred for Fifteen Thousand Dollars each, amounting in the whole to the sum of Ten Million Dollars (\$10,000,000), dated the 25th day of April, 1923, due 21st December, 1923, payable in gold coin of the United States of America of the present standard of weight and fineness without interest at the Bank of Montreal in the City of New York, U.S.A., and that the said Treasury Bills be a charge upon the Consolidated Revenue Fund.

The Committee further advise that the Treasurer of Ontario be authorized to discount said Treasury Bills at a rate not to exceed five per centum per annum

and that said Bills be issued upon the credit of the Consolidated Revenue Fund for the purpose mentioned in the said Act, and that the Treasurer of Ontario be empowered to use said Bills for that purpose.

Respectfully submitted,

23rd April, 1923.

C. F. Bulmer.

C.E.C.

W. E. Raney,

Chairman.

I hereby certify that the above is a true copy of an Order made upon the 23rd day of April, A.D. 1923, by His Honour Henry Cockshutt, Lieutenant-Governor of the Province of Ontario in Council.

(Sgd.) C. F. Bulmer,

Clerk, Executive Council, Ontario.

MR. PRICE: Mr. Chairman, I have read these so as to give the committee an idea as to how that is carried out. There is another Order in Council here, which, if you will, just take it as read. It just provides for the form of the bond and I will file it. It can be taken into the minutes, if you take it as read.

THE CHAIRMAN: The bonds are set out there?

MR. PRICE: Yes; it is just the form of the bond following the recommendation I have read.

To His Honour Henry Cockshutt, Lieutenant-Governor of the Province of Ontario:

Report of a Committee of the Executive Council on matters referred to their consideration.

Present: The Honourable

Mr. Raney

Mr. Nixon

Mr. Smith

Mr. Bowman

Mr. Doherty

Mr. Grant

Mr. Rollo

Mr. Mills

Mr. Carmichael.

ON MATTERS OF STATE

May it please Your Honour:

Upon the recommendation of the Honourable the Provincial Treasurer, the Committee of Council advise that the issue of Treasury Bills authorized by Orders in Council bearing date the 23rd day of April, 1923, passed pursuant to the provisions of Chapter 3, Statutes of Ontario, 7 George V, be in the following form or to the like effect—

No.

Due December 21st, 1923.

DOMINION OF CANADA

PROVINCE OF ONTARIO

TREASURY BILL

Toronto, April 25th, 1923.

This Treasury Bill entitles the bearer to payment of Ten thousand dollars (\$10,000) in gold coin of the United States of America of the present standard

of weight and fineness at the Agency of the Bank of Montreal in the City of New York, U.S.A., on the 21st day of December, 1923, without interest and without days of grace

This is one of a series of eight hundred Treasury Bills, four hundred of the denomination of Ten thousand dollars each numbered L-001 to L-400 (inclusive), and four hundred of the denomination of Fifteen thousand dollars each, numbered L-401 to L-800 (inclusive), amounting in the whole to the sum of Ten million dollars (\$10,000,000), issued under 7 George V, Ontario, Chapter 3, and under Orders of the Lieutenant-Governor in Council passed the 23rd day of April, 1923.

.....

Officer of the Treasury Department. Treasurer of Ontario.

(Seal)

The Committee further advise that the said Treasury Bills shall have engraved or printed thereon the signature of the Treasurer of Ontario and shall be sealed with his seal and countersigned by any officer of the Treasury Department appointed by Order in Council for such purpose and when so executed shall be binding upon the Province of Ontario

23rd April, 1923.

C. F. Bulmer

C.E.C.

Respectfully submitted,

W. E. Raney,

Chairman.

I hereby certify that the above is a true copy of an Order made upon the 23rd day of April, A.D. 1923, by His Honour Henry Cockshutt, Lieutenant-Governor of the Province of Ontario in Council

(Sgd.) C. F. Bulmer,

Clerk, Executive Council, Ontario.

- Q.—Mr. Mathews, following this, the draft of the Orders in Council and the recommendation, and the form of the bond by the solicitor, to whom would they go?
- A.—To whom would what go?
- Q.—These documents go, the Orders in Council?
- A.—The Orders in Council? They would go to the solicitor who was to give the legal opinion for the person making the offer.
- Q.—And do you recollect handing these to the solicitor?
- A.—I do not recollect
- Q.—Who was the solicitor?
- A.—I think it was Mr. E. L. Long.
- Q.—Then after those preliminaries were completed? I see on the file a letter on the 24th of April. You have a copy of that before you?
- A.—Yes, sir.
- Q.—That letter, dated April 24th, is from yourself to the Manager of the Bank of Montreal, Toronto

Toronto, April 24th, 1923.

The Manager,
Bank of Montreal, Toronto.
Dear Sir,—By direction of the Honourable Provincial Treasurer, I hand

you herewith Treasury Bills of the Province of Ontario to the amount of \$5,000,000, face value, made up as follows:—

| | |
|---|-------------|
| 200 at \$10,000 each, Nos. L-001-L200 | \$2,000,000 |
| 200 at \$15,000 each, Nos. L401-L600 | \$3,000,000 |

These bills are dated April 25th, 1923, due December 21st, 1923, and are to be discounted at the rate of $4\frac{1}{2}$ per cent. On payment of the proceeds at this rate, please deliver these Treasury Bills to the order of Mr. Douglas K. Ridout, Toronto.

Your obedient servant,

(Sgd.) C. A. Mathews,

Assistant Treasurer.

CAM-T

And there is a duplicate of that on the file. Do you recollect writing that letter?

A.—Yes, sir.

Q.—Was that carried out?

A.—No, sir.

Q.—What was the reason of not carrying it out?

A.—Arrangements were made to take the bills to New York City instead.

Q.—The original arrangement apparently from your letter was that the bills were to be deposited in the Bank of Montreal, Toronto?

A.—Yes, sir.

Q.—Do you recollect getting instructions on that point?

A.—No, sir. I do not remember.

Q.—Why would you write this letter?

A.—Well, the details were left to me to carry out.

Q.—Well, you wrote the letter and then you did not follow it out. Who instructed you to write the letter?

A.—I did it myself, sir.

Q.—What made you change?

A.—Probably some arrangement was made with Mr. Ridout to deliver them in New York instead.

Q.—Then where did you get your instructions from to change the arrangement?

A.—I don't know whether I took it from the Minister or I was to complete the arrangements, and as to whether I spoke to the Minister or not I cannot say definitely. I think I did.

Q.—Well, you would not take one positive line of action and then take another without getting direction?

A.—I assume I would not unless I was carrying out the arrangements with Mr. Ridout.

Q.—These bills were being sold for Canadian funds?

A.—The letter says that, I think.

Q.—Yes, and payment was to be made in Toronto?

A.—Yes, sir.

Q.—This would be the usual way of carrying it out?

A.—Yes, sir.

Q.—Then the next letter on the file is apparently written to you in New York, it is on the paper, dated April 25th, 1923, the day after, written on the Bank of Montreal paper, 64 Wall Street, New York, and in that letter you say—

MR. DOHERTY: Who to?

MR. PRICE: It is addressed to the agents of the Bank of Montreal, New York, and written by Mr. Mathews in New York apparently. It is on the paper of the bank there. This letter reads:—

"By direction of the Honourable Provincial Treasurer, I hand you herewith Treasury Bills of the Province of Ontario to the amount of \$5,000,000, made up as follows:

| | |
|---|-------------|
| 200 at \$10,000 each, Nos. L001 to L200 | \$2,000,000 |
| 200 at \$15,000 each, Nos. L401-L600 | 3,000,000 |
| | <hr/> |
| | \$5,000,000 |

These bills are dated April 25th, 1923, due December 21st, 1923, and are to be discounted to-day at the rate of $4\frac{1}{2}$ per cent. On payment of the proceeds at this rate (interlined) at the Bank of Montreal, Toronto, please deliver these Treasury Bills to the order of Mr. Douglas K. Ridout, Toronto.

(MB) Your obedient servant,
Assistant Treasurer.

Q.—Well, then, that takes you down; that was written in New York?

A.—Yes, sir.

Q.—So that takes you down to New York?

A.—Yes, sir.

Q.—Now, Mr. Matthews, you went down to New York City instead of delivering these bills to the Bank of Montreal in Toronto; you apparently decided to deliver them to the Bank of Montreal, their agency in New York City. That was quite a change in procedure?

A.—It was a change from the original idea, yes, but it is a common thing to do.

Q.—Yes, well is it a common thing to do when they are sold to a local man for Canadian funds here?

A.—It is a courtesy that has been extended many times.

Q.—You have done that before?

A.—Yes, sir.

Q.—Well, then, with whom did you go to New York City?

A.—Mr. Ridout.

Q.—Mr. Douglas K. Ridout?

A.—Mr. Douglas K. Ridout.

Q.—And with whom did you make that arrangement to go with Mr. Ridout, with Mr. Smith or Mr. Ridout?

A.—With Mr. Ridout. I may have mentioned the matter to Mr. Smith.

Q.—Did Mr. Smith understand it?

A.—I think so.

Q.—Well would you have the Treasury Bills at that time printed?

A.—Yes, sir.

Q.—Four or five days after?

A.—Yes, sir.

Q.—And you had the Treasury Bills, the first \$5,000,000 of this \$10,000,000, as outlined in your letter of April 25th?

A.—Yes, sir.

Q.—You had the Treasury Bills with you?

A.—Yes, sir.

Q.—What day did you go to New York, apparently you were there on the 25th?

A.—The night before, we left.

Q.—That would be the night of the 24th?

A.—Yes, sir.

Q.—That you went to New York. And where did you stop, what hotel?

A.—I think it was the Commodore there, or the Biltmore. I was down two or three times and I cannot speak definitely.

Q.—Either the Commodore or the Biltmore?

A.—Yes, sir.

Q.—Did Mr. Ridout stop there too?

A.—Yes, sir.

Q.—Did you travel together on the train, going down?

A.—Yes, sir. I think we had a drawing-room together.

Q.—A drawing-room together?

A.—Yes, sir.

Q.—On the 25th of April, then, you landed in New York City, and what did you do first, after leaving the train?

A.—I think we would go to the hotel first and get something to eat.

Q.—After that, after going to your hotel?

A.—Go down to the Bank of Montreal.

Q.—What happened at the Bank of Montreal?

A.—At the Bank of Montreal I saw, I presume, Mr. Hungerford—his name is there—either one of them; there are three different agents, Mr. Hungerford, Bogue and Hebdon, but I think it would be either Mr. Bogue or Hungerford we saw: hand over the bills and ask them to acknowledge receipt of them; give them that letter.

Q.—The letter telling the Bank of Montreal to make payment to Mr. Ridout when they were discounted at the rate of $4\frac{1}{2}$ per cent.?

A.—Yes, sir.

Q.—Then after you had deposited these with the Bank of Montreal, what did you and Mr. Ridout do? Did Mr. Ridout go with you?

A.—Yes, sir.

Q.—You were there together when the bills were deposited?

A.—Yes, sir.

Q.—And after that had been completed, what did you and Mr. Ridout do?

A.—Went back to the hotel, I think. Or I cannot say, or speak definitely of this trip. I always did a little shopping when I went down.

Q.—Where did Mr. Ridout discount the bills then?

A.—At the Bank of Montreal. Well, I cannot say where he discounted them.

Q.—You deposited them there? Mr. Ridout knew they were deposited there?

A.—Yes.

Q.—Were you with him all the time he was in the bank? Were you there when he was discussing things with the agent?

A.—No, sir. I was not there all the time when he was discussing his own affairs.

Q.—I thought you said you left the bank together?

A.—I think we did. But I waited there quite a time. I was waiting for a flash from Toronto that the money was placed to our credit. Then I always sent a telegram to Toronto stating that the arrangements had been completed.

Q.—You expected that the money would be placed here in Toronto to take up these bills?

A.—Yes.

Q.—You were waiting for a wire from Toronto?

A.—Yes.

Q.—That the money had been actually deposited to the credit of the Province here before these bills would be actually handed over to Mr. Ridout?

A.—Well, once I had instructed the bank according to my letter not to hand them over until—

Q.—I see. You think you went back to the hotel after that?

A.—I would not speak with definiteness on anything I did afterwards.

Q.—With whom did Mr. Ridout discount these bills?

A.—I don't know

Q.—He did not discount these at the Bank of Montreal?

A.—I cannot tell you that.

Q.—Do you know with whom he dealt?

A.—No, I cannot speak definitely, but I did hear mention of the National City Company.

Q.—Were you with him to the National City?

A.—I don't think so. No, sir.

Q.—Well, just be careful on that point, because you were down there with him. These bills were being discounted. Are you sure you were not with him in the offices of the National City?

A.—No, sir. I don't think so.

Q.—Did you hear the National City Company officials call Mr. Ridout in the hotel?

A.—No, sir.

Q.—Who told you that these bills were discounted by the National City?

A.—I think Mr. Ridout may have told me himself.

Q.—Well, that would be rather natural because you were together; you came back together?

A.—Yes, sir.

Q.—Then you say you were with Mr. Ridout the whole time?

A.—No; I would not say that.

Q.—I mean when you were in New York City?

A.—No, sir.

Q.—Well, what places did you go? Where did you go with him? Did you go around with him?

A.—I may have had lunch with him. I cannot recall the definite doings that day.

Q.—How long were you at the Bank of Montreal before they told you that the money had been deposited in Toronto to the credit of the Province?

A.—Well, it would take some little time to check up the Treasury Bills, and have to wait for them to give me a receipt. Oh I would say it was getting on to noon before I got out of there.

Q.—You knew the money had been deposited when you got out of there?

A.—Yes, sir.

Q.—Did you know Mr. Ridout had made a sale of these bonds before he went down with you?

A.—I don't think I did.

Q.—Do you know that he did?

A.—No, I cannot speak definitely that he completed it.

Q.—How long were you in New York on that occasion? That was the 25th?

A.—If I knew what day it was I might be able to say. I think I may have stayed an extra day. I am not sure.

Q.—Did you come home together?

A.—I think we came home together.

Q.—You came home together?

A.—Yes, sir. Well, there were two trips and I cannot remember exactly each incident that occurred with each trip.

MR. LEWIS: Two trips with Mr. Ridout?

MR. PRICE: This was the first \$5,000,000 of the \$10,000,000. The next \$5,000,000 was on the 1st of May, so that Mr. Mathews had two trips down there. This was the one on the 25th of April.

Q.—What was it you brought back for the Province from New York?

A.—I brought back a letter, statement from the Bank of Montreal acknowledging receipt of the bills.

Q.—You got from the Bank of Montreal, the agents of the Bank of Montreal, New York City, this letter, on the agency paper there:—

New York, April 25th, 1923.

C. A. Mathews, Esq.,
Assistant Treasurer,
Province of Ontario,
Toronto, Ontario, Canada.

Dear Sir.—We acknowledge receipt of Treasury Bills of Province of Ontario to the amount of \$5,000,000, face value, made up as follows:

| | |
|---|-------------|
| 200 at \$10,000 each, Nos. L001, L200 | \$2,000,000 |
| 200 at \$15,000 each, Nos. L401, L600 | 3,000,000 |
| | <hr/> |
| | \$5,000,000 |

Yours faithfully,

(Sgd.) E. B. Hungerford,

W.J.E.-R.C.

Agent.

Q.—That was what you brought back for the Province?

A.—Yes, sir.

Q.—Now what did Mr. Ridout bring back?

A.—I don't know.

Q.—Did he bring back any money?

A.—I don't know.

Q.—Did he show you any money?

A.—No, sir.

Q.—Did he bring back any checks?

A.—I don't know.

Q.—You see we do not know the situation of this thing. You went down there and you deposited bills. The Province's money was wired to Toronto. You brought back a receipt for the bills and you knew that the money the Province would get out of it was deposited here?

A.—Yes, sir.

Q.—Before you left?

A.—Yes, sir.

Q.—Now what did Mr. Ridout get out of it or what did he bring back?

A.—I don't know anything about it, sir.
Q.—Did Mr. Ridout show you his check for the proceeds of what he was making out of it?
A.—No, sir.
Q.—Did he show you any money that he got in these transactions?
A.—No, sir.
Q.—Did he have bills with him?
A.—I don't know.
Q.—Well then, you tell us you travelled down together and you travelled back, and that Mr. Ridout did not tell you what he made on the transaction?
A.—No, he did not.
Q.—There was no discussion as to what he sold the bills at?
A.—I don't think so.
Q.—Now I would rather think, I don't know, but I would rather think that a man would say what he made on a transaction going down there?
A.—He didn't to me.
Q.—Did he tell you at what rate he discounted.
A.—No, sir.
Q.—You don't know whether he discounted them at a rate of five or five and a half?
A.—I had no knowledge.
A.—Did the National City Company tell you at what rate these bills were discounted?
A.—No, sir.
Q.—What was the rate of discount at that time in New York?
A.—I cannot tell without looking up records.
Q.—Did you know at the time?
A.—No, sir, I did not.
Q.—Were not you interested to know what money was bringing at that time?
A.—I did not pay particular attention to it, sir.
Q.—Well, we will leave that point. Then there was a second part of this transaction, the other \$5,000,000, of May 1st, 1923. On the paper of the agency of the Bank of Montreal, New York, you wrote the agents of the Bank of Montreal as follows:—

May 1st, 1923.

The Agents,
Bank of Montreal, New York.

Dear Sir:
By direction of the Honourable Provincial Treasurer, I hand you herewith Treasury Bills of the Province of Ontario to the amount of \$5,000,000, face value, made up as follows:—

| | |
|--|-------------|
| 200 at \$10,000 each, Nos. L201-L400 | \$2,000,000 |
| 200 at \$15,000 each, Nos. L601-L800 | 3,000,000 |
| | <hr/> |
| | \$5,000,000 |

These bills are dated April 25th, 1923, due December 21st, 1923, and are to be discounted to-day at the rate of $4\frac{1}{2}$ per cent. On payment of the proceeds at this rate at the Bank of Montreal, Toronto, please deliver these Treasury Bills to the order of Mr. Douglas K. Ridout, Toronto.

MB. Your obedient servant, Assistant Treasurer.

And on May 1st, the same day, there is a letter from the agents of the Bank of Montreal:—

New York, May 1st, 1923.

C. W. Matthews, Esq., Assistant Treasurer,
Province of Ontario,
Toronto, Ontario, Canada.

Dear Sir:

We acknowledge receipt of \$5,000,000 Province of Ontario Treasury Bills, dated April 25th, 1923, due December 21st, 1923.

\$2,000,000, Nos. 201-400, for \$10,000 each.

\$3,000,000, Nos. 601-800, for \$15,000 each.

Yours faithfully,

(Sgd.) E. P. Hungerford,

Agent.

WJE-H

And on May 1st also, on the same paper, the agency of the Bank of Montreal, there is a letter:—

May 1st, 1923.

Agents, Bank of Montreal,
New York.

Dear Sirs:

Please credit the Treasurer of the Province of Ontario at their account in Toronto, out of the amount which you have at my credit, the sum of \$4,853,750, Canadian Funds, and oblige.

Yours very truly,

Q.—That is a copy of Mr. Ridout's?

A.—I think that is a copy of Mr. Ridout's.

Q.—Well, now we have taken that first trip on the \$5,000,000. This is the second, on the \$5,000,000?

A.—Yes, sir.

Q.—And May 1st was the date you were in New York? Can you recollect when you went down?

A.—The night before.

Q.—With Mr. Ridout?

A.—Yes, sir.

Q.—You travelled together?

A.—No. I travelled with my wife. I took Mrs. Mathews with me.

Q.—On the first occasion you had a drawing-room?

A.—Yes.

Q.—On the second occasion Mrs. Mathews was along with you and you were not travelling in the same compartment with Mr. Ridout?

A.—No, sir.

Q.—And where did you stop on that occasion in New York?

A.—Either the Commodore or Biltmore. I think it was the Commodore.

Q.—You had these lots of Treasury Bills with you?

A.—Yes, sir.

Q.—And on reaching New York and going to the hotel, after you got things straightened around, where did you go?

A.—Down to the agency of the Bank of Montreal; if I remember rightly the train was late that morning. We did not get in—

Q.—Now wait. Did Mr. Ridout stop at the same hotel?

A.—Yes, sir.

Q.—Did Mr. Ridout and you go to the Bank of Montreal together?

A.—Yes, sir.

Q.—Now on this occasion I see that Mr. Ridout gave you an order or gave the Bank of Montreal an order to transfer his funds to Toronto? That was a little different from the other case?

A.—Yes, sir.

Q.—Can you account for that difference?

A.—No. I cannot.

Q.—This second lot, the \$5,000,000 Treasury Bills, do you know the discount rate. I mean the actual discount rate on this second lot?

A.—No, sir.

Q.—I mean in New York City?

A.—No, sir.

Q.—Did you talk over with Mr. Ridout what he was making on this transaction?

A.—I think I did jokingly ask him what he was making out of it.

Q.—What did he say?

A.—He would not tell me.

Q.—Well, this is a pretty fair deal for someone. Would not Mr. Ridout, travelling with you, intimate to you how much he made on it?

A.—No, sir.

Q.—Do you know how much he made?

A.—No, sir. I haven't the faintest notion.

Q.—Now we were at the Bank of Montreal with these Treasury Bills. Mr. Ridout had given the order to the Bank of Montreal to transmit \$4,853,750 to Toronto to live up to his contract to buy these bills in Canadian funds, although he was selling for American funds. Where did you go from the bank?

A.—Went up to meet Mrs. Mathews and we had lunch together.

Q.—Did the National City take these over from Mr. Ridout?

A.—I don't know.

Q.—Were you with the National City officials that day?

A.—No, sir.

Q.—Were you in the hotel with them that day?

A.—No, sir.

Q.—Were you with Mr. Ridout when he called on them?

A.—No, sir.

Q.—Did he say he was going down to the National City?

A.—I cannot remember that he did.

Q.—Are you sure he did not?

A.—I would not say that he did not.

Q.—Well, were not you interested enough to know where he was selling these bonds? You were representing the Province?

A.—I was not particularly interested where he sold them.

Q.—You thought your duty was complete when the money was deposited?

A.—That was my duty, sir.

Q.—Well then, in this trip, coming back—on the first trip you and Mr. Ridout came back together in the same compartment?

A.—In the first trip? Well, I don't know whether we came back in a compartment or not.

Q.—Well, you came back together?

A.—I think we came back on the same train.

Q.—On this trip did you come back on the same train? I know your wife was with you. Did you come back on the same train?

A.—To the best of my recollection, yes.

Q.—Did you have any talk on the train coming up as to what he made?

A.—No, sir.

Q.—Was he feeling pretty good over making the deal?

A.—I would not say he was or he was not. I did not pay particular attention.

Q.—He didn't tell you on the way up how much he was making?

A.—No, sir.

DR. JAMIESON: Who was Mr. Ridout.

THE CHAIRMAN: He was the purchaser.

MR. OWENS: Who is he?

MR. PRICE: On this second trip, when you came back, you tell us that Mr. Ridout did not give you any information as to how much he made on the bills or what the discount rate was?

A.—No, sir.

Q.—How long were you in New York on this trip?

A.—We came back the same night.

Q.—You completed your business in the morning and took the train that night?

A.—Yes, sir.

MEMBER: This is the second trip.

MR. PRICE: Yes.

MR. LEWIS: This was made last year?

MR. PRICE: May 23rd. For the explanation of the Committee all these bills were dated April 25th, but they were really sold in two lots, the first sale being April 20th, and the trips to New York, the first was April 24th and 25th; the second was May 1st. They are two distinct trips, although it was part of the same transaction of \$10,000,000 Treasury Bills.

Q.—Well then, when you got back from New York on this trip, on the last trip, did Mr. Ridout say that he had a check equivalent to his profit on this transaction?

A.—No, he did not.

Q.—Did he show you any money that he made?

A.—No, sir.

Q.—When you got in Toronto on this last trip where did you go?

A.—Home.

Q.—Well then, how long was it before you came down town?

A.—It may have been most of the morning.

Q.—When did you get in touch with Mr. Ridout?

A.—I don't know that I did get in touch with him after that.

Q.—That day?

A.—I don't know that I did get in touch with him.

Q.—Were you in touch with him that day?

A.—I would not speak with any certainty on that point.

Q.—Did he tell you at any time after that that he made certain moneys on this deal?

A.—No, sir.

Q.—Do you know what money he made on the deal?

A.—I haven't the faintest notion.

Q.—You don't know, or do you know, whether he made deposits of money?

A.—No, sir.

Q.—Well then, I see on the file a letter dated May 7th, written by you to Mr. Ridout, which reads:—

Toronto, May 7th, 1923.

D. K. Ridout, Esq.,

Ridout & Strickland,

Union Bank Building, King & Bay Sts., Toronto.

Dear Sir:

Enclosed herewith please find payment certificate in connection with the \$5,000,000 Treasury Bills delivered to you on the 1st of May.

Your obedient servant,

Encl.

CAM-T.

Assistant Treasurer.

Q.—I don't see a copy of the certificate here, what was that?

A.—It is a payment certificate that most purchasers require when the money has been paid into the Province, specifying the amount that we receive in connection with these bills.

Q.—You have a copy of that?

A.—No, sir, I have not. The solicitor who acts for the purchaser usually wants a number of copies, he may only have sent up a certain number of copies, and we hand back to him, or give them to Mr. Ridout in this case—

Q.—Well, is there any record of that certificate in the Department?

A.—I don't think so.

Q.—You didn't keep a copy of it?

A.—I don't think I did.

Q.—I see in the file here a little memo of the discount rate of these bills. Do you know whose handwriting that is?

A.—That is someone down in the Bank of Montreal. This is my writing.

Q.—That is your writing?

A.—Down here, is my writing. The top row is somebody else.

Q.—Well, the Bank of Montreal, how would you get that?

A.—I would ask them for the figures.

Q.—On the back, "Merchants, 63-65, what is that?"

A.—I don't know what that is.

Q.—Did the old Merchants Bank have anything to do with this, that is part of the Montreal? How did this little memo, the Merchants Bank thing, get on the file?

A.—I think it refers to an address in New York, probably the address of the Merchant's Bank in New York, which was taken over by the Montreal.

Q.—That looks like 63-65, that is only part of it?

A.—Probably Wall Street.

Q.—Well, did you deal at the branch of the Bank of Montreal that formerly had been the Merchants Bank?

A.—No, sir.

Q.—I wonder just how you got this memo?

A.—I assume that they had taken over the bank and that was some stuff that looks as if it had been padded up and used for memos.

Q.—Where would you make this computation?

A.—In the Bank of Montreal.

Q.—This is a New York computation?

A.—Yes, sir.

Q.—It is not made here?

A.—No, sir.

Q.—Well, this shows on the second \$5,000,000.

A.—Yes, sir.

Q.—The discount?

A.—Yes, sir.

Q.—At the rate of four and one-half per cent. for eight months makes a discount of \$144,245.45, and this amount, \$4,855,754.55, is what the bills were discounted in New York; that is the rate, isn't it?

A.—Yes, sir.

Q.—What is that other item? You have \$4,853,750 right under it? What is that? Can you explain those figures?

A.—No, I cannot, sir.

Q.—Were those the two Treasury Bills, this one the first and this one the second?

A.—Well, the first was \$4,850,000 even; the second was \$4,853,750.

Q.—Yes, that is correct?

MR. LEWIS: The credit interest making the difference?

A.—No.

Q.—Difference in the rate of discount?

A.—No, I don't think; it may have been a computation worked out to find out what the result would be.

Q.—They were both four and a half per cent. so far as the Province was concerned?

MR. PRICE: This was figured out in the Bank of Montreal agency in New York at the time you were making arrangements?

A.—That is my recollection.

Q.—And this shows, apparently, the proceeds of the loan, doesn't it?

A.—Yes, sir.

Q.—In New York?

A.—Yes, sir.

Q.—Have you any other papers on this loan, on the "L" loan of \$10,000,000?

A.—I have the two Treasury files showing where the money was received.

Q.—Let me have them. On April 27th, Mr. Mathews produces the departmental files. Treasury voucher, April 27th, 1923, from the Bank of Montreal, proceeds of Treasury Bills, Series "L," \$4,850,000. That was, Mr. Mathews, the proceeds, after allowing for the discount rate of four and a half per cent.?

A.—Yes, sir.

Q.—The Bank of Montreal wrote on April 25th, 1923, from Toronto, to the Hon. Provincial Treasurer, Parliament Buildings:—

The Honourable,
The Provincial Treasurer,
Province of Ontario,
Parliament Buildings,
Toronto, Ont.

April 25th, 1923.

Dear Sir:

We beg to advise that we have credited your account to-day with Four Million Eight Hundred and Fifty Thousand Dollars (\$4,850,000), being proceeds of sale of Treasury Bills transferred to us by Agents, Bank of Montreal, New York.

Yours faithfully,

(Sgd.) G. B. Hutchings,
Asst. Manager.

MB

I put that in as Exhibit 2.

And the other voucher, May 14th, 1923, voucher number 2271, contains a letter, from the Bank of Montreal, dated May 4th, 1923:—

C. A. Mathews, Esq.,
Assistant Treasurer,
Province of Ontario,
Parliament Buildings,
Toronto.

May 4th, 1923.

Dear Mr. Mathews:

We enclose herein copy of our advice of credit covering a deposit of \$4,853,750, representing proceeds of Treasury Bills transferred to us from the Agents, Bank of Montreal, New York.

Yours faithfully,

(Sgd.) G. B. Hutchings,
Assistant Manager.

B.
Encl.

Q.—And then there is the credit note proceeds of Treasury Bills transferred from the agents of the Bank of Montreal, New York, \$4,853,750. Gentlemen, the difference in that amount is the difference, the four or five days' time. The first bills were discounted on the 25th; the second on the 1st of May—

MR. KEEFER: Do they both date from the 25th of April?

MR. PRICE: Yes. So the difference of \$3,750 is the difference in the interest. The real discount was \$150,000 on each \$5,000,000.

We will take number "M," the "M" bills. Mr. Mathews, you recollect also Treasury Bills known in the Department as "M"?

A.—Yes, sir.

Q.—For \$5,000,000?

A.—Yes, sir.

Q.—On May 5th, on Treasury Bill "M," there is on the file, May 5th, 1923:—

Hon. Peter Smith,
Provincial Treasurer, Parliament Bldgs.,
Toronto.

Toronto, May 5th, 1923.

Re Treasury Bills.

Dear Mr. Smith,

We have pleasure in offering to you for immediate acceptance for \$5,000,000 of six months' 5 per cent. Treasury Bills—i.e. dated 1st of May and due 1st

of November, 1923, 100.244 (which is a $4\frac{1}{2}$ per cent. basis), Toronto payment and delivery, principal and interest of these Notes to be payable in Toronto, Montreal and New York, and issued in denominations of \$1,000, \$5,000 and larger.

Trusting to receive a favourable reply, we are,

Your obedient servants,

(Sgd.) Osler and Hammond.

And on the same day, dated May 5th, 1923, there is a further letter from Osler & Hammond:—

Toronto, May 5th, 1923.

Hon. Peter Smith,
Provincial Treasurer,
Parliament Buildings, Toronto.

Attention Mr. Mathews

Re Treasury Bills.

Dear Sir:

Referring to my letter of to-day, we have pleasure in confirming the purchase from you of \$5,000,000 of Six months' 5 per cent. Treasury Bills—i.e. dated 1st of May and due 1st of November, 1923—at 100.244, Toronto payment and delivery, principal and interest of these Notes to be payable in Toronto, Montreal and New York, and issued in denominations of \$1,000, \$5,000 and larger.

You might advise us when the Notes are ready for delivery, and we will advise you what institution in Toronto to hand them to and receive payment.

Yours truly,

(Sgd.) Osler & Hammond.

A.—That letter is to my attention, sir.

Q.—Just before going into that question, I will put this in as Exhibit 4, and in the files, Exhibit 4, are the following documents:—

A letter from Osler & Hammond to Hon. Peter Smith, dated May 5th, 1923,

From Osler & Hammond to Hon. Peter Smith, dated May 5th, 1923.

Recommendation of the Provincial Treasurer to Council, dated May 7th, 1923.

Order in Council, dated May 8th, 1923.

Recommendation of the Provincial Treasurer as to the form of the bills, dated May 7th, 1923.

Order in Council as to form of the bills, dated May 8th, certified by Mr. Bulmer.

Letter from Osler & Hammond to the Hon. Peter Smith, dated May 11th, 1923.

Copy of letter from Assistant Treasurer to the Bank of Montreal, Toronto, dated May 11th, 1923.

A receipt from the Agents of the Bank of Montreal in regard to C. A. Mathews, dated May 14th, 1923, and a letter from the Assistant Treasurer, from Mr. Mathews, to the agency of the Bank of Montreal, dated at Toronto, May 11th, 1923.

Now I read these two first letters. Now, Mr. Mathews, on this deal do you recollect how you got instructions?

A.—In the same way as the last so far as I can recollect.

Q.—Did you get instructions from either the Minister or the Minister's Secretary?

A.—Yes, sir.

Q.—Had you talked with Mr. Roadhouse, of Osler & Hammond, about this Bill?

A.—Yes, quite probably I did.

Q.—Did you have it before it was settled?

A.—I cannot say.

Q.—Well, did you know that he was negotiating this before it was finally completed?

A.—No, sir.

Q.—When did you first know that Osler & Hammond were negotiating this?

A.—First intimation was in the receipt of these letters.

Q.—The letter of May 5th, 1923, is that the letter you meant?

A.—May 5th, yes.

Q.—Well, where is the Department's letter accepting this?

A.—I don't know, I thought it was on the file.

Q.—There does not seem to be any department letter explaining this sale of Treasury Bills?

A.—I don't know where it is.

Q.—It looks a little unusual that Osler & Hammond write on May 5th, making an offer, and then write a letter apparently on May 5th and say that their offer has been accepted—"Referring to your letter of to-day we have pleasure in confirming the purchase from you—". Now have you got any record how the deal was made?

A.—No, I haven't any distinct recollection of it. It may be that I was instructed to telephone Osler & Hammond and confirm it verbally; that is what it looks like.

Q.—Would you confirm it then by telephoning Mr. Roadhouse?

A.—Possibly.

Q.—The second letter here says "attention Mr. Mathews"?

A.—Yes, sir.

Q.—As if you had been in the negotiations with this?

A.—I may have been instructed to telephone to him to accept it. I cannot speak definitely on it.

Q.—You had no letter from Mr. Smith, apparently?

A.—To me?

Q.—To you or to Osler & Hammond?

A.—I don't think so. It does not appear here on the file.

Q.—Well then, after getting these two letters and telephoning to Mr. Roadhouse about it, what was your next move?

A.—The same as before with the Treasury Bills. Proceeded to get a recommendation for Orders in Council prepared by the solicitor, and get the Treasury Bills printed in accordance with the recommendation made; get them signed and sealed.

Q.—You went to New York on this trip?

A.—Yes, sir.

Q.—Tell us, you went to New York on this issue of \$5,000,000 Treasury Bills, do you remember the date on which you went to New York?

A.—The receipt here on the files shows I was in New York on the 14th of May.

Q.—Do you recollect how long you were in New York?

A.—No, I don't know.

Q.—Just before we come to the New York trip, Mr. Chairman, I would like to shorten up this examination by asking the permission of the Committee to put in these recommendations of the Provincial Treasurer I have indicated as in this file and to state to you just about what they contain. I think it will save considerable time. These bills were 5 per cent. bills, for six months. They were dated the 1st of May, and they matured on the 1st of November, 1923. The other bills that were discussed, the \$10,000,000, there was no rate mentioned, and they were discounted at $4\frac{1}{2}$ per cent. These bills were a little different. There was a rate mentioned of 5 per cent., but the offer was to discount them at $4\frac{1}{2}$ per cent. rate. In order to do that it meant that the offer was, as you see, to buy the bills and the price was 100.244, which is a $4\frac{1}{2}$ per cent. rate on these bills. So if you will take these orders in council and recommendations as read, I will simply have them read into the minutes:—

To His Honour the Lieutenant-Governor in Council:

The undersigned has the honour to recommend that, pursuant to the provisions of Statutes of Ontario, 13-14 George V, Chapter 2, the Treasurer of Ontario be authorized to raise by way of loan the sum of Five Million Dollars by the issue and sale of twelve hundred Treasury Bills, five hundred for One thousand dollars each, five hundred for Five thousand dollars each, and two hundred for Ten thousand dollars each, amounting in the whole to the sum of Five Million Dollars (\$5,000,000), dated the 1st of May, 1923, due the 1st of November, 1923, payable as to both principal and interest in gold coin of lawful money of Canada at the office of the Treasurer of Ontario in Toronto, Canada, or at the Bank of Montreal in Montreal, Canada, or in gold coin of the United States of America of the present standard of weight and fineness at the Agency of the Bank of Montreal in the City of New York, U.S.A., at holder's option, with six months' interest thereon at the rate of five per centum (5 p.c.) per annum, and that the said Treasury Bills be a charge upon the Consolidated Revenue Fund.

The undersigned has the honour to recommend further that the Treasurer of Ontario be authorized to sell said Treasury Bills at not less than par and accrued interest.

The undersigned has the honour to recommend further that the Treasurer of Ontario be authorized to receive the money, the proceeds of the said Treasury Bills, which Bills are to be issued for the purpose of raising the said moneys by way of loan for the purpose mentioned in the said Act and on the credit of the Consolidated Revenue Fund.

Provincial Treasurer.

Toronto, May 7th, 1923.
M.S.

To His Honour Henry Cockshutt,
Lieutenant-Governor of the Province of Ontario:

Report of a Committee of the Executive Council on matters referred to their consideration.

Present The Honourable

Mr. Drury in the chair.
Mr. Nixon
Mr. Smith
Mr. Doherty
Mr. Biggs
Mr. Rollo
Mr. Mills
Mr. Carmichael.

ON MATTERS OF STATE.

May it please Your Honour:

Upon the recommendation of the Honourable the Provincial Treasurer, the Committee of Council advise that, pursuant to the provisions of Statutes of Ontario, 13-14 George V. Chapter 2, the Treasurer of Ontario be authorized to raise by way of loan the sum of Five Million Dollars by the issue and sale of twelve hundred Treasury Bills, five hundred for One Thousand Dollars each, five hundred for Five Thousand Dollars each, and two hundred for Ten Thousand Dollars each, amounting in the whole to the sum of Five Million Dollars (\$5,000,000), dated the 1st day of May, 1923, due the 1st of November, 1923, payable as to both principal and interest in gold coin of lawful money of Canada at the office of the Treasurer of Ontario in Toronto, Canada, or at the Bank of Montreal in Montreal, Canada, or in gold coin of the United States of America, of the present standard of weight and fineness, at the Agency of the Bank of Montreal in the City of New York, U.S.A., at holder's option, with six months' interest thereon at the rate of five per centum (5 p.c.) per annum, and that the said Treasury Bills be a charge upon the Consolidated Revenue Fund.

The Committee further advise that the Treasurer of Ontario be authorized to sell said Treasury Bills at not less than par and accrued interest.

And the Committee further advise that the Treasurer of Ontario be authorized to receive the money, the proceeds of the said Treasury Bills, which Bills are to be issued for the purpose of raising the said moneys by way of loan for the purposes mentioned in the said Act and on the credit of the Consolidated Revenue Fund.

Respectfully submitted,

8th May, 1923.

C. F. Bulmer
C.E.C.

E. C. Drury,
Chairman.

I hereby certify that the above is a true copy of an Order made upon the 8th day of May, A.D. 1923, by His Honour Henry Cockshutt, Lieutenant-Governor of the Province of Ontario in Council.

(Sgd.) C. F. Bulmer,
Clerk, Executive Council, Ontario.

To His Honour the Lieutenant-Governor in Council:

The undersigned has the honour to recommend that the issue of Treasury Bills authorized by Orders-in-Council bearing date the 8th day of May, 1923,

passed pursuant to the provisions of Chapter 2, Statutes of Ontario, 13-14 George V, be in the following form or to the like effect:—

No.

Due November 1st, 1923.

DOMINION OF CANADA.

PROVINCE OF ONTARIO

TREASURY BILL.

Toronto, May 1st, 1923.

This Treasury Bill entitles the bearer to payment of Ten Thousand Dollars in gold coin of lawful money of Canada at the office of the Treasurer of Ontario in the City of Toronto, or at the Bank of Montreal in the City of Montreal, Canada, or Ten Thousand Dollars in gold coin of the United States of America, of the present standard of weight and fineness, at the Agency of the Bank of Montreal in the City of New York, U.S.A., at holder's option, on the 1st day of November, 1923, with six months' interest thereon in like gold coin at the rate of five per centum per annum, without days of grace.

This is one of a series of twelve hundred Treasury Bills, five hundred of the denomination of One Thousand Dollars each, numbered M-001 to M-500 (inclusive), five hundred of the denomination of Five Thousand Dollars each, numbered M-501 to M-1000 (inclusive), and two hundred of the denomination of Ten Thousand Dollars each, numbered M-1001 to M-1200 (inclusive), amounting in the whole to the sum of Five Million Dollars (\$5,000,000), issued under 13-14 George V, Ontario, Chapter 2, under Orders of the Lieutenant-Governor in Council passed the 8th day of May, 1923.

.....
Officer of the Treasury Department.
(Seal)

.....
Treasurer of Ontario.

The undersigned has the honour to recommend further that the said Treasury Bills shall have engraved or printed thereon the signature of the Treasurer of Ontario and shall be sealed with his seal and countersigned by any officer of the Treasury Department appointed by Order-in-Council for such purpose and when so executed shall be binding upon the Province of Ontario.

Toronto, May 7th, 1923.
M.S.

Provincial Treasurer.

To His Honour Henry Cockshutt,
Lieutenant-Governor of the Province of Ontario;

Report of a Committee of the Executive Council on matters referred to their consideration.

Present: The Honourable

Mr. Drury
Mr. Nixon
Mr. Smith
Mr. Doherty
Mr. Biggs
Mr. Rollo
Mr. Mills
Mr. Carmichael.

ON MATTERS OF STATE.

May it please Your Honour:

Upon the recommendation of the Honourable the Provincial Treasurer, the Committee of Council advise that the issue of Treasury Bills authorized by Orders in Council bearing date the 8th of May, 1923, passed pursuant to the provisions of Chapter 2, Statutes of Ontario, 13-14 George V, be in the following form or to the like effect:—

No.

Due November 1st, 1923.

DOMINION OF CANADA.

PROVINCE OF ONTARIO.

TREASURY BILL.

Toronto, May 1st, 1923.

This Treasury Bill entitles the bearer to payment of Ten Thousand Dollars in gold coin of lawful money of Canada at the office of the Treasurer of Ontario in the City of Ontario, or at the Bank of Montreal in the City of Montreal, Canada, or Ten Thousand Dollars in gold coin of the United States of America, of the present standard of weight and fineness, at the Agency of the Bank of Montreal in the City of New York, U.S.A., at holder's option, on the 1st day of November, 1923, with six months' interest thereon in like gold coin at the rate of five per centum per annum, without days of grace.

This is one of a series of twelve hundred Treasury Bills, five hundred of the denomination of One Thousand Dollars each, numbered M-001 to M-500 (inclusive), five hundred of the denomination of Five Thousand Dollars each, numbered M-501 to M-1000 (inclusive), and two hundred of the denomination of Ten Thousand Dollars each, numbered M-1001 to M-1200 (inclusive), amounting in the whole to the sum of Five Million Dollars (\$5,000,000), issued under 13-14 George V, Ontario, Chapter 2, and under Orders of the Lieutenant-Governor in Council passed the 8th day of May, 1923.

.....

Officer of the Treasury Dept.

Treasurer of Ontario.

(Seal)

The Committee further advise that the said Treasury Bills shall have engraved or printed thereon the signature of the Treasurer of Ontario and shall be sealed with his seal and countersigned by any officer of the Treasury Department appointed by Order-in-Council for such purpose and when so executed shall be binding upon the Province of Ontario.

Respectfully submitted,

8th May, 1923.

C. F. Bulmer,

E. C. Drury,

C.E.C.

Chairman.

I hereby certify that the above is a true copy of an Order made upon the 8th day of May, A.D. 1923, by His Honour Henry Cockshutt, Lieutenant-Governor of the Province of Ontario, in Council.

C. F. Bulmer,

Clerk, Executive Council, Ontario.

These bills were issued as payable in American funds, as far as the bills were concerned; that is, if you had these bills or any of these bills, you could have taken them to New York City and gotten American money on them, but they were sold by the Government, so that they got only Canadian funds on them.

Q.—How did you make your arrangements this time to go to New York?

A.—I received a letter from Osler & Hammond on May 11th.

Q.—Yes, I will read that letter:—

Toronto, May 11th, 1923.

Hon. Peter Smith,
Provincial Treasurer, Parliament Buildings,
Toronto.

*Attention Mr. Mathews
Re Treasury Notes.*

Dear Sir:

Referring to our letters to you of the 5th inst., this is your authority to deliver to the Bank of Montreal, New York City, for account of Messrs. Dillon, Reid & Co., of New York, the \$5,000,000 of Treasury Bills.

The Bank of Montreal, Toronto, will pay you for the above Bills on Monday, 14th instant, at the rate of 100.244 and accrued interest.

Yours truly,

(Sgd.) Osler & Hammond.

Q.—Having received this letter of May 11th, that you were to deliver these in New York City; now this letter was to the Hon. Peter Smith, from Osler & Hammond?

A.—Yes, sir.

Q.—The other was to your attention—well, this is “attention of Mr. Mathews” also. You apparently were carrying on the negotiations in this deal?

A.—After the settlement of the price and everything.

Q.—Well, the very second letter says that you accepted “attention of Mr. Mathews”?

A.—Yes.

Q.—And this letter says again “attention of Mr. Mathews”?

A.—Yes.

Q.—You notice in the other deal, the Ridout deal, that was not drawn to your attention, in the letters?

A.—Yes, sir.

Q.—But this deal here, the correspondence draws the matter specifically to your attention?

A.—Yes, sir.

Q.—Well, having received this letter, I presume you got in touch with Osler & Hammond?

A.—I presume so.

Q.—Well, do you remember whether you did or not?

A.—No, I cannot remember.

Q.—Your bills were ready. What arrangements did you make to go to New York City?

A.—Somehow or other arrangements were made to go to New York City with Mr. Hodgins of the Dominion Securities.

Q.—Where would Mr. Hodgins come in?

A.—Well, I think the Dominion Securities and Dillon & Reid are associated.

Q.—The bills were sold to Osler & Hammond, who apparently directed you to deliver them to Messrs. Dillon & Reid, New York?

A.—Yes, sir.

Q.—And the Dominion Securities, being agents for Dillon & Reid, sent down Mr. Hodgins with you?

A.—I believe that is right, sir.

Q.—And Mr. Hodgins went down with you, on the same train?

A.—Yes, sir.

Q.—Did anyone from Osler & Hammond go along?

A.—No, sir.

Q.—Did you have any discussion with Mr. Roadhouse about it?

A.—I think I may have talked it over with him.

Q.—Did he say it was all right for you to go along with a representative of the buyer?

A.—That is why I think I asked for this letter.

Q.—You wanted a direction?

A.—Yes, sir.

Q.—Did he say to you that these bills had been sold to Messrs. Dillon & Reid?

A.—No.

Q.—What did he say?

A.—Well, probably I should qualify that. He may have said that.

Q.—It is in the letter?

A.—Yes.

Q.—But before a letter of that kind you would naturally wonder why they had sold them to Dillon & Reid, that they were not going to be along with you?

A.—Well, I wanted direction as to the disposal of the bills.

Q.—Well, in this case, where did you stay in New York?

A.—Either the Commodore or the Biltmore. I think it was the Commodore.

Q.—And upon arriving at New York, where did you go this time? I mean after you got your breakfast, and all that?

A.—I think I went to the Bank of Montreal.

Q.—The agency of the Bank of Montreal?

A.—Agency of the Bank of Montreal, New York, sir.

Q.—Now, on the 11th, I see—was anyone with you, at the Bank of Montreal?

A.—Mr. Hodgins, I think.

Q.—Yes, we will take what happened at the Bank of Montreal. There is a letter here which you gave the Bank of Montreal, dated May 11th?

A.—Yes, sir.

Toronto, May 11th, 1923.

Bank of Montreal,
Toronto, Ontario.

Dear Sirs:

I am making arrangements to deliver to the agency of the Bank of Montreal, New York, on the morning of Monday, May 14th, \$5,000,000 5 per cent. 6 months notes of the Province of Ontario, due 1st November, 1923.

The sale price of these notes, with accrued interest to the 14th, payable in Toronto funds, amounts to \$5,021,104. I am advised that arrangements have been made with your Bank, covering the transfer to Toronto of approximately \$5,000,000 New York funds, on Monday and that a rate has been confirmed with you.

My instructions to the Agency of the Bank of Montreal, New York, will be to deliver the notes to Messrs. Dillon, Reid & Company, upon payment of

a sufficient amount in New York to realize in Toronto at the rate of exchange, which has been arranged at the sum of \$5,021,104.

Will you please advise your New York office of the amount which it will be necessary for Dillon, Reid & Company to pay there to realize the amount to be paid in Toronto and will you also ask them, upon receipt of the necessary payment in New York, to transfer same by wire to Toronto, so that you can credit the account of the Province of Ontario with the amount mentioned above, namely \$5,021,104.

Your obedient servant,

Assistant Treasurer.

Q.—Now that letter was written to the Bank of Montreal, Toronto?

A.—Yes, sir.

Q.—That was written before you left, and it discloses more about this transaction than there was about the other? That is right? You had more information on this transaction?

A.—Yes, sir.

Q.—You talked this transaction over with Mr. Roadhouse considerably more?

A.—No, mostly with Mr. Hodgins of the Dominion Securities after I got the notice.

Q.—Was this arrangement, then, made with Mr. Hodgins?

A.—I think so, yes.

Q.—This arrangement outlined in your letter?

A.—Yes.

Q.—Well, let us run down and see. You tell the Bank of Montreal here that you are making arrangements to deliver these notes—"I am advised that arrangements have been made with your Bank, covering the transfer to Toronto of approximately \$5,000,000 New York funds, on Monday and that a rate has been confirmed with you."

Q.—What was the rate confirmed?

A.—I don't know.

Q.—Who told you that the rate had been confirmed?

A.—I assume I got this information from Mr. Hodgins. I discussed with him the amount that would come to the Province on the basis of their letters.

Q.—Then there was no doubt that there was a former arrangement on the rate of exchange?

A.—Apparently so, from this letter.

Q.—That was your opinion?

A.—Apparently so, from this letter.

Q.—"My instructions to the Agency of the Bank of Montreal, New York, will be to deliver the notes to Messrs. Dillon, Reid & Company, upon payment of a sufficient amount in New York to realize in Toronto at the rate of exchange, which has been arranged, the sum of \$5,021,104."

Then on the 11th, when you got to New York, you write the agency there, dated May 11th. How are these letters dated the 11th? I see you had a letter here May 11th in Toronto, and a letter May 11th, Toronto. You are sure you were in New York on the 11th?

A.—No, the 14th.

Q.—You were in on the 14th? This was written on Friday or Saturday, then?

A.—Yes.

Q.—And the arrangement then was fully completed here before you left, apparently?

A.—Yes.

Toronto, May 11th, 1923.

Agency,

Bank of Montreal, New York, N.Y.

Dear Sirs:

I am handing herewith \$5,000,000 Province of Ontario 5 per cent. notes, due November 1st, 1923. Will you please deliver these notes to Dillon, Reid & Company, of New York, against payment of an amount which will be communicated to you by your Toronto office.

I understand that your Toronto office has also instructed you to transfer this amount by wire to Toronto as soon as received and will be glad if you will kindly carry out these instructions when delivery is made.

Your obedient servant,

Assistant Treasurer.

Q.—So, do you recollect now, Mr. Mathews, whether you went to New York on Saturday, or—

A.—On the Sunday night.

Q.—Sunday night?

A.—Yes, sir.

Q.—Sunday would be the 13th?

A.—Yes.

Q.—13th of May, 1923?

A.—Yes, sir.

Q.—Do you know what these bills were discounted at?

A.—No, sir.

Q.—Did you go to Dillon, Reid & Co.?

A.—I think I did.

Q.—You remember you didn't go with Mr. Roadhouse any place?

A.—No.

Q.—But you did go with Mr. Hodgins to Dillon, Reid & Co.?

A.—I think he took me around and introduced me to some of the officials.

Q.—Did you find out what these bills were discounted at?

A.—No, I did not.

Q.—Did you enquire?

A.—I did not.

Q.—Did you enquire as to other issues when you were down before?

A.—I may have casually enquired—in fact, that applies to all these. I cannot recollect exactly whether I did or not.

Q.—Well, do you know to-day just what the discount rate on these \$5,000,000 Treasury Bills at 6 months, dated May 1st? Do you know the rate?

A.—I do not.

Q.—Then apparently the last thing in New York was you got a receipt here:—

New York, May 14th, 1923.

Received from C. A. Mathews, Assistant Treasurer, Province of Ontario, \$5,000,000 Province of Ontario 5 per cent. Notes, due November 1st, 1923, to

be delivered to Messrs. Dillon, Reid & Company, New York, against payment, in accordance with instructions received from Bank of Montreal, Toronto.

(Sgd.) Agents, Bank of Montreal, New York.

R.Y.H. —

Agent.

Q.—Did you get any information from the Agency of the Bank of Montreal, New York, when you were there on the 14th, that moneys had been paid into the credit of the Province in Toronto.

A.—There does not appear to be anything on the record. I think I did.

Q.—You did in the other case, you remember?

A.—Yes.

Q.—There appears to be nothing on the records showing that was done. When did you find out then it had been done?

A.—I assume I found out before I left New York. I cannot say definitely.

Q.—Have you any other papers in connection with this? I have a file of the amount received, file produced and marked as Exhibit 5. Exhibit 5 is a voucher of the Department, 2368, which includes a letter from the Bank of Montreal, Toronto, dated May 14th:—

Toronto, 14th May, 1923.

C. A. Mathews, Esq.,
Assistant Provincial Treasurer,
Parliament Buildings,
Toronto.

Dear Sir:

Referring to your letter of the 11th instant, we have to advise that we are to-day crediting the Province of Ontario account with the sum of \$5,021,104.02, being proceeds of the sale of \$5,000,000 5 per cent. 6 months notes of the Province of Ontario, due November 1st, 1923.

Yours faithfully,

G. B. Hutchings,
Assistant Manager.

GBH-H

That was the notification to you on the 14th, apparently, of the amount?

A.—Yes.

MR. LEWIS: Is that dated Toronto?

A.—Bank of Montreal, Toronto.

Q.—That is a written notice?

A.—That is a written notice.

MR. PRICE: This notice here was given to the Department.

Q.—Mr. Mathews, I am producing here from the Department letter on the exchange rates at the time?

A.—Yes, sir.

Q.—From the bank. Produced, marked as Exhibit 6, letter from the Union Bank of Canada, dated January 12th, 1924.

January 12th, 1924.

C. A. Mathews, Esq.,
Assistant Provincial Treasurer,
Parliament Buildings, Toronto.

Dear Mr. Mathews,—As requested, I forward you herewith approximate

rates as between banks of New York funds covering the period from the 1st to the 30th of April, 1923. I trust this information will be of use to you.

Yours very truly,

(Sgd.) D. M. Neeve,
Manager.

PGR-WM

Attached is a schedule showing the rates of exchange at that time. I have two or three of these here that members can look at.

| Date | Opening | High | Low | Closed |
|--------------|---------|---------|---------|---------|
| April 1..... | Sunday | | | |
| " 2..... | Holiday | | | |
| " 3..... | 1-25/32 | 1-13/16 | 1-25/32 | 1-13/16 |
| " 4..... | 1-13/16 | 1-7/8 | 1-13/16 | 1-27/32 |
| " 5..... | 1-55/64 | 1-55/64 | 1-23/32 | 1-13/16 |
| " 6..... | 1-13/16 | 1-7/8 | 1-13/16 | 1-7/8 |
| " 7..... | 1-7/8 | 1-7/8 | 1-13/16 | 1-27/32 |
| " 8..... | Sunday | | | |
| " 9..... | 1-53/64 | 1-53/64 | 1-13/16 | 1-13/16 |
| " 10..... | 1-13/16 | 2 | 1-13/16 | 2 |
| " 11..... | 2 | 2 | 2 | 2 |
| " 12..... | 2-1/32 | 2-1/16 | 2-1/32 | 2-1/16 |
| " 13..... | 2-1/16 | 2-1/4 | 2-1/16 | 2-1/4 |
| " 14..... | 2-1/4 | 2-5/16 | 2-1/4 | 2-5/16 |
| " 15..... | Sunday | | | |
| " 16..... | 2-5/16 | 2-7/16 | 2-5/16 | 2-3/8 |
| " 17..... | 2-3/8 | 2-3/8 | 2-1/8 | 2-1/8 |
| " 18..... | 2 | 2 | 1-23/32 | 2 |
| " 19..... | 2 | 2-3/16 | 1-31/32 | 2-1/64 |
| " 20..... | 2 | 2 | 1-31/32 | 1-31/32 |
| " 21..... | 1-61/64 | 1-61/64 | 1-23/32 | 1-23/32 |
| " 22..... | Sunday | | | |
| " 23..... | 1-11/16 | 1-3/4 | 1-11/16 | 1-3/4 |
| " 24..... | 1-23/32 | 1-15/16 | 1-23/32 | 1-15/16 |
| " 25..... | 1-8/8 | 2-3/16 | 1-7/8 | 2-3/16 |
| " 26..... | 2-1/4 | 2-1/4 | 2 | 2-1/32 |
| " 27..... | 2 | 2-1/32 | 2 | 2-1/32 |
| " 28..... | 2-1/32 | 2-1/32 | 2 | 2 |
| " 29..... | Sunday | | | |
| " 30..... | 1-31/32 | 2 | 1-31/32 | 2 |

(Stamp) For the Union Bank of Canada, Toronto
R. G. Ross (?)
Manager.

The rates of exchange at that time, on the 24th and 25th, when these first Treasury Bills were brought in, ran from, on the 24th, the rate ran from 1-23/32 up to 1-15/16, that is the rate of exchange. On the 25th it ran from 1-7/8 to 2-3/16, and for the whole month this is given, which shows that the rates ran around 2 per cent. I have figured it out for convenience generally at 2 per cent. I am leaving that before the Committee.

Also producing, marked as Exhibit 7, the rates of exchange letter from the Union Bank, showing rates of exchange from the 1st of May to the 15th of May.

On the 14th of May the rates of exchange were as follows: 1-61/64 to 2-1/64, and on the 15th of May, from 2 to 2-3/64, about an average of 2.

| Toronto, March 10th, 1924. | | | | | |
|----------------------------|---------|---------|---------|---------|--|
| Date | Opening | High | Low | Close | |
| May 1..... | 1-15/16 | 1-31/32 | 1-15/16 | 1-31/32 | |
| " 2..... | 1-31/32 | 1-31/32 | 1-61/64 | 1-61/64 | |
| " 3..... | 1-31/62 | 1-63/64 | 1-31/32 | 1-31/32 | |
| " 4..... | 1-31/32 | 2-1/32 | 1-31/32 | 2 | |
| " 5..... | 2 | 2 | 1-31/32 | 1-31/32 | |
| " 6..... | Sunday | | | | |
| " 7..... | 1-31/32 | 2-1/64 | 1-31/32 | 2-1/64 | |
| " 8..... | 2 | 2-1/64 | 1-63/64 | 2 | |
| " 9..... | 2 | 2 | 1-63/64 | 1-63/64 | |
| " 10..... | 1-31/32 | 1-31/32 | 1-31/32 | 1-31/32 | |
| " 11..... | 1-15/16 | 1-15/16 | 1-7/8 | 1-59/64 | |
| " 12..... | 1-57/64 | 1-61/64 | 1-57/64 | 1-61/64 | |
| " 13..... | Sunday | | | | |
| " 14..... | 1-61/64 | 2-1/64 | 1-61/64 | 2 | |
| " 15..... | 2 | 2-3/64 | 2 | 2-1/64 | |

Then I am also producing a Bank of Montreal foreign exchange chart, which shows the runnings of exchange over the whole period of April and May, in fact for the whole year, so that honourable gentlemen can consult it at their leisure, which shows practically the same thing, marked as Exhibit 8.

Q.—I presume, Mr. Mathews, that at the time these Treasury Bills were put through you knew the rates of exchange in the Department?

A.—Only in a general way.

Q.—Well, the Treasury Department keeps quite closely in touch with the rate of exchange?

A.—Yes, in a general way, not particularly.

Q.—You might not know specific things, but you know generally?

A.—Know generally.

Q.—In putting through Treasury Bills of this kind naturally you take into consideration the exchange?

A.—Well, I did not consider it in this question at all.

Q.—Why didn't you consider it in this case?

A.—Well, I was too busy following up the arrangements to put through the deals as required.

Q.—That is, you mean that you as Assistant Treasurer were carrying out the details of this arrangement?

A.—Yes, sir.

Q.—Well, who was responsible for the making of the deal?

A.—Well, I should say the Minister had charge of that.

Q.—You didn't have discretionary powers?

A.—Oh, no.

Q.—The powers for making the deal would be with the Minister?

A.—With the Minister.

Q.—Did the Minister ask you what were the rates of exchange at the time?

A.—I cannot remember that he did. He may have.

Q.—These bills, you knew, were payable in American funds?

A.—Yes.

Q.—That is, the Treasury Bills themselves were payable in American funds?

A.—Yes, sir.

Q.—Well now, just get back on that. Did the Minister ask you at the time what the rate of exchange was?

A.—I cannot remember whether he did or not.

Q.—Did you make enquiries yourself to find out what the rates of exchange were?

A.—I think I did when I was in New York.

Q.—Did you find out what the rates were?

A.—My recollection is that one of Mr. Ridout's deals was about 1-7/8. I may be mistaken.

Q.—One of the Ridout deals?

A.—I think so.

Q.—Which one?

A.—I cannot say definitely which one.

Q.—Can you tell what the other one was?

A.—No, I cannot.

Q.—That is, you were interested to get an idea of what was being done with these Treasury Bills then when you were in New York then?

A.—Well, as a matter of interest, yes.

Q.—Well, you say you were representing the Province; naturally you had a duty to the Province?

A.—Yes.

Q.—In this Osler & Hammond deal, do you know what the rate of exchange was there?

A.—No, I do not.

Q.—Did the Minister enquire later about this exchange. Did he say to you at any time later that this deal was a bad one for the Province?

A.—He may have, sir. I cannot say.

Q.—Do you know whether any other banks were interested? You have the Royal Bank on Church Street, Toronto, Bank of Montreal—which branch of the Montreal was it?

A.—That I wrote to here in Toronto?

Q.—That would be their main office, corner of Front and Yonge Streets. Did their main office handle all this business, the Bank of Montreal?

A.—For the Province? Yes. They were the ones where the money would be placed from New York. That is where we keep our account.

Q.—You dealt entirely with the head office of the Bank of Montreal in Toronto?

A.—Yes, sir.

Q.—Who was the manager of the head office?

A.—G. G. Adam is the manager.

Q.—Did you discuss this matter with Mr. Adam?

A.—I cannot recall that I did.

Q.—Do you know if Mr. Adam was consulted about this deal?

A.—I cannot say.

Q.—Do you know who were the bankers for Mr. Ridout?

A.—No, I do not.

Q.—Do you know where he deposited his profit on the transaction?

A.—No, I have no information on it.

Q.—You don't know whether it was the Royal, or the Bank of Montreal?

A.—I don't know.

Q.—Or what branch?

A.—I don't.

HON. CHARLES MCCREA EXAMINING.

MR. MCCREA: I have a couple of questions. You are the Assistant Treasurer in the Province of Ontario?

A.—Yes, sir.

Q.—When were you appointed Assistant Treasurer?

A.—September, 1920.

Q.—And you are the responsible deputy for the administration of that Department?

A.—Under the Minister, yes.

Q.—When this transaction came first to your notice, did you consider it any part of your duty to report to the Minister as to the merits of the transaction?

A.—No, sir.

Q.—And you did not so report?

A.—I cannot say definitely that I did.

Q.—Well, when you say you cannot say definitely, surely on this transaction you are to-day in a position to say whether you advised the Minister whether it was a good one or a bad one for the Province?

A.—I did not do anything of the kind.

Q.—You did know that on the first issue of \$10,000,000 a local broker had made an offer to discount \$10,000,000 worth of Treasury Bills at a rate of four and one-half per cent.?

A.—Yes.

Q.—Based on the value of Canadian currency?

A.—Yes, sir.

Q.—You did know that the bills were not payable in Canada but payable in New York currency?

A.—Yes.

Q.—You did know that four and one-half per cent. was not a money rate that anybody would lend money on basing it at par value only; that that was not the current rate at the time?

A.—Yes.

Q.—And you did know that the transaction involved in offering that rate on bills which were payable in New York but which were to be discounted on a Canadian basis as far as the Treasury Department was concerned, that the question of exchange entered very vitally into the transaction?

A.—Exchange did enter into it, sir.

Q.—Vitality so?

A.—Well, I don't know whether it was vital. I cannot say.

Q.—But you did know exchange entered into the transaction so far as that transaction was concerned?

A.—Yes, sir.

Q.—Did you make any enquiries as to what the rate of exchange was?

A.—In a general way I think I did.

Q.—What did you find?

A.—Well, it was ranging between one and two.

Q.—And you knew that the purchaser from you, Mr. Ridout, would make

his profit on the transaction by discounting the bills in New York, bringing the proceeds over to Canada, and in that way make his profit?

A.—That is the way he would make his profit.

Q.—Now did you not think sufficiently of the transaction to make an analysis, as the responsible deputy, and tell the Minister just what the transaction amounted to?

A.—I was not asked to do it, sir.

Q.—And you didn't?

A.—I didn't.

Q.—Do you know what the rates in New York were for the discount of Ontario Treasury Bills payable in New York?

A.—No, sir. I do not.

Q.—Did you make any enquiry as to what the rate would likely be for that class of security, knowing that Mr. Ridout would discount in that market?

A.—Only in a general way.

Q.—And what did you find out in a general way?

A.—That it was somewhere around five and one-half per cent., I think.

Q.—Then if Mr. Ridout discounted his \$10,000,000 worth of bills in New York at five per cent.—

A.—No, five and one-half.

Q.—Five and one-half, what would the proceeds be in New York on that loan, to Mr. Ridout?

A.—Well, I would have to compute that, sir.

Q.—I have made a computation, perhaps you will check me if I am wrong, that the discount at five and one-half per cent. on \$10,000,000 for eight months amounts to \$366,666. These have been checked and are accurate. And that would leave the proceeds of that loan in New York at \$9,633,334, in American money. Now, Mr. Ridout, as you told us, would make his profit on the exchange. In other words, when he transferred that money from the United States over into Canada and got the premium on the American funds, ranging between 1 and 2, according to these tables on the 14th of May.

THE CHAIRMAN: Nearly 2.

Q.—Ranging on the 25th of April, that was the day you delivered the bonds—

A.—The first lot.

Q.—It ranged that day between 1-3/8 to 2-3/16. It would be a fair average to put it at 2 per cent., would it not?

A.—Well, of course, the man is getting exchange; that is the quotation of the market rate, but in large quantities it varies.

Q.—It goes up and down?

A.—Well, you cannot get the same rate for a large amount that you can for a small amount, what they call a counter rate.

Q.—Do you know what rate he did get?

A.—I don't know, this is bank to bank, which may be different from what a man may be able to secure exchange on a large sum of money where a bank has to protect itself for a longer time.

Q.—A bank rate as against your counter rate?

A.—I cannot speak definitely.

Q.—This was a transfer from bank to bank, according to the documents filed, and these are the transfer rates from bank to bank as quoted by the Union Bank—a low of 1-7/8 and a high of 2-3/16; it is not unfair to average a rate of 2?

A.—Well, I would not care to say. I cannot speak with any authority on it.

Q.—Well, suppose we average at 2 per cent., the premium on the transfer of the money would amount to \$192,666, or, turned into Canadian money, would amount to \$9,826,000, that Mr. Ridout on the rates I have mentioned would receive in Canadian money in Toronto. The Province of Ontario received, as a matter of fact, on the discount rate of four and one-half per cent., Canadian money, \$9,700,000, or a difference or profit to Mr. Ridout, after he had allowed for the five and one-half per cent. interest in New York, of \$126,000 on that \$10,000,000 transaction. Now did you make any enquiry at any time as to the rate of exchange on \$10,000,000 at that time?

A.—In a general way, as I have stated before, I did enquire on one of the trips when I was down that it was somewhere around 1-7/8; that was my recollection, but it varies even in the same day.

Q.—Well, the records of the banks show that the low was 1-7/8 on that day; that is on the 25th, and the high, 2-3/16.

A.—Well, that is basing it that Mr. Ridout was able to secure that rate.

Q.—Well, I am only averaging these at 2; that is fair? That deal was completed, of the \$10,000,000, which involved the two trips, in April, one on the 25th, and one, when?

A.—May 1st.

Q.—The rate on May 1st, I see, is 1-15/16, at the opening, high 1-31/32, and the close 1-31/32, slightly under 2. Was the second deal for the sale of \$5,000,000 Treasury Bonds announced or arranged for before the sale of the \$10,000,000 had been completed?

A.—Will you repeat that, please? I want to understand it.

Q.—Was the decision to float a second amount of \$5,000,000, which was purchased by Osler & Hammond, come to after the first transaction was completed, the \$10,000,000, or before it was completed?

A.—Well, the records show that it was on May 5th that the second lot went through.

Q.—Then in respect of the two lots, it is fair to say that the decision to float a second lot which Osler & Hammond purchased, was made after the first transaction to Ridout had been completed? The records show that.

A.—The records seem to show that.

Q.—Did you, as the responsible deputy of that Department, and being in as close touch as you were with the first transaction, and knowing that the rate of exchange was a vital part of that transaction, make any representations to the Treasurer or the Government as to the necessity for exercising care on the second transaction?

A.—I don't think so.

Q.—You had more to do with the carrying out of the second so far as the responsibility of it than for the first loan of \$10,000,000?

A.—Yes, sir.

Q.—Did you not advise the Minister that the first transaction—well, why didn't you give him as far as you could get them the particulars of the first transaction in your official position before he entered into the second?

A.—I had my instructions to put it through, sir.

MR. KEEFER: From whom?

A.—From the Minister.

MR. MCCREA: You also knew, Mr. Mathews, that on the second lot the

quotation being made for payment in Canadian funds that exchange entered vitally into that transaction as well as the previous one?

A.—Exchange did enter into it the same way as the first lot.

Q.—Did you make any enquiry at the time as to whether the Province could by floating these Treasury Bills themselves in New York have got a better price for what they had to sell than they did get?

A.—I did not.

Q.—Why didn't you?

A.—Well, I was instructed to put these through.

Q.—So you made no special enquiry as to exchange or discount rates or anything else?

A.—No, sir; no special enquiry.

Q.—And you were the responsible Deputy Minister in charge of that Department?

A.—I was responsible under the Minister.

Q.—You made the trips to New York?

A.—Yes, sir.

Q.—Did you put in an expense sheet for your trip after you came back?

A.—No, sir.

Q.—Why?

A.—The expenses were paid by the parties that I took the bonds down for.

Q.—You were there partly as their agent and partly as the Government agent, or what was your exact position that trip?

A.—Well, as the bills called for payment in Toronto I could have delivered the bills in Toronto. Requests were made that we present the bills in New York, and that was at the expense of the purchaser.

Q.—Now the second Treasury Bill, which was purchased by Osler & Hammond, was for \$5,000,000, and these Treasury Bills bore on them on the face that they were carrying five per cent. interest?

A.—Yes, sir.

Q.—And they were payable either in New York or Toronto or Montreal?

A.—Yes, sir.

MEMBER: Whose option?

A.—At the holder's option.

MR. MCCREA: So that the holder of these bills could demand payment for all of them in New York? And the discount rate, do you know that it was any higher in New York at that time?

A.—No, I do not, sir.

Q.—Well, then the interest at 5 per cent. for six months, which was the period the Treasury Bills had to run, was \$125,000, and that would be payable by the Province of Ontario. These bills were due in New York, \$5,000,000, \$125,000? That is correct, is it?

A.—Yes; the others were discount. This last \$5,000,000 was with six months' interest thereon.

Q.—So that when the Province of Ontario would pay the second issue of Treasury Bills for \$5,000,000, sold Osler & Hammond at the expiration of six months, they would pay \$5,125,000?

A.—Yes, sir.

Q.—And if the discount rate was $5\frac{1}{2}$ in New York, I figured it out that the discount would amount to \$140,937, or would net the holders of the bills discounted in New York, \$4,984,063. Exchange, I note, when these Treasury Bills

of the 14th of May were sold, was running from 1-61/64 to 2-1/64, or an average of 2 per cent.; the exchange premium coming to the Canadian owner would amount to \$99,681, or, in other words, would net in Canadian money at Toronto, \$5,083,744. The Province received \$5,012,200, or a loss of \$71,544?

A.—That is based, of course, on the assumption that it was in each one of these cases a five and one-half per cent. rate that was secured in New York.

Q.—The discount rate in New York was five and one-half per cent., as you have said, was the rate as far as you know?

A.—Yes.

Q.—That is what I am advised?

A.—That is my information.

Q.—Or a loss on the two bills of \$71,544 in one case and \$126,000 in the other, a total of \$197,544 after allowing for payment of the interest. Now, Mr. Mathews, why did not you, as the responsible deputy of finance for this Province, advise your Minister as to just what the nature of the transaction was that this loss might have been avoided?

A.—Well, the Minister had given the instructions to put these through. I knew nothing of the arrangement beforehand.

Q.—I see.

MR. FISHER: What is the practice of the Department in selling Treasury notes? Do they ever ask for tenders?

A.—In times past they have been asked for.

Q.—How long ago is that?

A.—I could tell from the records. We could find that out for you.

Q.—Well, approximately?

A.—No, I cannot say offhand, sir.

Q.—Have you sold any since these were sold?

A.—By tender?

Q.—Any way?

A.—Oh there have been Treasury Bills put out since then, yes.

Q.—Any tender in connection with them?

A.—Well, I would like to make sure. I have concentrated on this and I have not given attention to this point.

Q.—Is there any reason why these should not be sold by tender?

A.—Sometimes you can do better by private negotiation.

Q.—How do you know that?

A.—Well, that seems to have been the experience of the Department for a great many years.

Q.—There is just another thing I would like to make sure about. Perhaps it is clear. In each of these cases you were to get the face of the notes less a discount of four and one-half per cent.?

A.—That is for \$10,000,000.

Q.—Well, the same result in the second?

A.—It was a 5 per cent. one. One was a 4½ and the other 5.

Q.—The discount was 4½ in each case?

A.—Yes, because we got a premium on the second amount, the last \$5,000,000.

Q.—You were to be paid in Canadian funds in all cases?

A.—That is according to the letters that are here.

Q.—And you were not bound to go to New York?

A.—I was not bound to go, no.

Q.—Or anybody else? Well, now, did you get $4\frac{1}{2}$ per cent. in Canadian funds?

A.—Yes, I think so.

Q.—Did the fact that you went to New York in any way cost the Province anything?

A.—No, sir.

Q.—They did not lose anything or pay anything?

A.—No, sir.

Q.—You got what you bargained for, for the face of the notes less $4\frac{1}{2}$ per cent.?

A.—Well, the records show exactly what we did get, sir.

Q.—Well, that is the fact.

MR. PRICE: He did not get the face of the notes less $4\frac{1}{2}$ per cent.

MEMBER: He got Canadian money, which was not face, because the notes could be sold for \$200,000 more in New York City.

MR. FISHER: You were to be paid a certain sum which was mentioned in the notes less the equivalent of $4\frac{1}{2}$ per cent. discount?

A.—That is right—Canadian money.

Q.—And that was the bargain?

A.—That is the bargain, apparently.

Q.—Well, did you get it?

A.—I think so.

Q.—Well, is there any doubt?

A.—The records show exactly what we did get, sir. The files are here showing exactly the amount of money received.

MR. MCCREA: But these were not payable in Canadian money?

A.—They were payable in American money.

MR. FISHER: But that is not the question. They were selling them in Canadian money?

MEMBER: We want to know why.

MR. FISHER: It may be a question of a bad bargain, but I would like to know whether the bargain was carried out as made?

A.—Oh, yes.

Q.—No doubt about that?

A.—No doubt about it.

MR. KEEFER: You say Mr. Ridout paid the expenses of the first trip to New York because it was for his convenience you went there?

A.—Yes.

Q.—Did he likewise pay for the second?

A.—Yes.

Q.—Did the Osler people pay for the third?

A.—I don't know who paid. I went with Mr. Hodgins. I was not out any money.

Q.—You put in no expense account?

A.—No, sir.

Q.—Did you pay your expenses and receive it back?

A.—No, sir, my expenses were paid for.

Q.—You received nothing from anyone?

A.—No, sir.

MR. CURRIE: The reason you were asked to go down there was to deliver the notes down there and save insurance?

A.—Yes.

Q.—Which if they delivered the bills here and sent them would have to be insured.

A.—There is ten cents on a thousand.

THE CHAIRMAN: The position you take is that as far as the question of policy is concerned, the Minister settled that. You only performed the administrative part in his Department?

A.—That is right.

Q.—And you did not pretend to advise him or criticize the course he pursued?

A.—I would not criticize the Minister.

Q.—Another thing, in all these transactions involving three trips to New York, the money was all payable in American funds in New York?

A.—Yes.

Q.—And has been paid ultimately in New York?

A.—Yes.

Q.—So that the Province paid in New York funds?

A.—Yes.

Q.—With approximately 2 per cent. premium against us?

A.—Well, I cannot say they have actually paid them. They have issued new bills to take care of it.

Q.—And they paid approximately 2 per cent.?

A.—Well, I would not say that.

Q.—On both occasions when you made delivery trips to New York, the rate was approximately 2 per cent. against us?

A.—Yes.

Q.—And when we paid them we had to take that loss?

A.—Yes, unless you consider that new bills were issued to take up the old bills.

Q.—That was not to enter into the question of policy at that time?

A.—No.

Q.—If it happened to be favourable—

A.—Well, apparently that was the intention; exchange might have dropped when they became due.

Q.—It didn't drop?

A.—Not as much as expected.

Q.—You say you had nothing to do with the policy? The Province paid in American funds and received money in Canadian funds?

A.—Yes, sir.

HON. MANNING DOHERTY EXAMINING.

MR. DOHERTY: You say these first two issues of \$5,000,000 were sold to a man named Ridout?

A.—Yes, sir.

Q.—Did he ever do any business with the Department before?

A.—Yes, sir.

Q.—He did business with the Department before?

A.—Yes, sir.

Q.—In buying Treasury Bills?

A.—I don't know whether it was Treasury Bills or a loan. It was quite a number of years ago.

Q.—Some years before these purchases?

A.—He had something to do with the Department. I can look it up and tell you. I cannot say now what it was. I think he bought some Treasury Bills, or a loan.

Q.—Some of the Province's securities?

A.—Some of the Province's securities.

Q.—Would they be previous to 1919, would you think, or 1920?

A.—I think it was.

Q.—Did you ever deliver bonds to New York before?

A.—Oh, yes.

Q.—There is nothing new about that?

A.—There is nothing exceptional; that is often done.

Q.—You probably recollect or have a general knowledge of the exchange situation. Do you or do you not recollect that the exchange in the latter part of November, the first of December, in 1922, was at par?

A.—It was at 3/16 discount—a premium of 3/16 at that time.

Q.—Our funds were at a premium?

A.—Yes, sir.

Q.—Our funds were at a premium in December of 1922?

A.—I cannot say just what date, but in the fall.

Q.—Within a week?

A.—Well, it did not last so very long.

Q.—If the exchange had gone back even to par at the maturity of these notes, these bills, in December, 1923, would the Province have been ahead?

A.—Well, I would have to compute it, sir. But it would have meant it would have been four and a half, or whatever the basis, we would only have had to pay that much money out to pay them.

Q.—The rate fluctuates from day to day and within the day?

A.—Yes, sir.

MR. MCCREA: What bearing would the rate of exchange in December or October have on the loss as tabulated by me?

A.—Well, we would not have had to pay American funds when they came due.

Q.—What bearing so far as the outline of the transaction at the time the sale was placed would the rate of exchange several months after have on the transactions, so far as the loss that I estimated is concerned?

A.—I don't think it would have any bearing.

MR. PRICE: In other words, whatever loss was made on these bills in April and May, the Province lost it then?

A.—Yes, sir.

Q.—Now the Province was gambling as to whether the rate of exchange would be good six months later to make up their losses?

A.—That is the assumption.

Q.—That is the only way they could make it up, as a gamble that the rate of exchange would go down to par?

MR. MCCREA: It is two per cent. above here.

MR. FISHER: Is that quite fair? Based on a $5\frac{1}{2}$ per cent. interest rate, and according to his computation, the Province would have to pay that in any event, as I understand it, if exchange had gone down; then under the existing circumstances—

MR. PRICE: Of course that has nothing to do with the exchange.

MEMBER: The Province made a loss and the only hope the Province had of recouping was if Canadian exchange went above par.

MR. CURRIE: Suppose exchange went to $3\frac{1}{2}$ against us in New York when the bills became due? It would make that much more loss, because the bills are payable in New York. Let us have some information about these people you are doing business with. You say there was no competition in the purchase or sale of these bonds? No other bids?

A.—Not that I know of.

Q.—And you are in the Treasury Department, and it would come under you?

A.—Not necessarily.

Q.—Who would it be under?

A.—Under the Minister

Q.—It would be under the Minister fully, would it?

A.—Yes, sir.

Q.—Now, who is this Mr. Ridout?

A.—Well, he is—

Q.—You know him?

A.—Yes, I met him years ago,

Q.—What is his business?

A.—I think he is in the insurance business.

Q.—Has he any bond house, or office in a bond house?

A.—I am not sure on the point. He has done business with the Province before.

Q.—He is an insurance man, I understand? How did he come into this transaction, being an insurance man?

A.—Well, I don't know anything, only I have these letters telling me to put through the loan.

Q.—You knew nothing. Did he represent any of these houses? Did he say he was agent for Dillon & Reid?

A.—I didn't deal with him.

Q.—Do you know if he was?

A.—No.

Q.—Have you any such intimation?

A.—No, I cannot say.

Q.—He just dropped in off the street and said that he would put this through for you? Is that right?

A.—I don't know anything about it, sir.

Q.—Who was in the ultimate transaction? In the first it is Dominion Securities, and Oslers?

A.—That was the second.

Q.—Well, who was the gentleman that put that through?

A.—Well, I dealt most with Mr. Roadhouse and Mr. Hodgins.

Q.—Do you know if Roadhouse is in the city?

A.—I did hear he was out of the city. I don't know that.

Q.—Well, he is the man that put that through? That is, the \$5,000,000?

A.—I cannot say he is actually the man.

Q.—Who was?

A.—All I have is the letter from Osler & Hammond here.

Q.—And it was transferred to the Dominion Securities?

A.—I don't know if it was transferred to Dominion Securities, transferred to Dillon & Reid.

Q.—And Dominion Securities represent Dillon & Reid, don't they?

A.—Closely associated; I think so.

Q.—Did you have any conversation about this with the Minister?

A.—I cannot remember definitely.

Q.—You were not asked to advise him at all on the matter?

A.—I don't think so.

Q.—You knew there was a loss there?

A.—Not at that time.

Q.—It didn't dawn on you?

A.—No.

Q.—You haven't heard anything about who made the profit?

A.—No, sir.

Q.—Would you consider that a legitimate profit, or a legitimate extortion?

A.—I don't know what the profits were. I assume there would be. Of course a man has to take a chance, because—

Q.—Well, you are not taking a chance on exchange in a transaction involving two or three days?

A.—No, but you have to secure a rate sufficiently far ahead.

Q.—On a large sum like that involved like that, not a counter charge, would the exchange rate be higher or lower?

A.—I rather think it would be lower.

Q.—For a large sum you would get a better rate than for a small one?

A.—Well, it depends whether you are trying to buy or sell exchange.

Q.—Well, supposing you were buying exchange?

A.—When we have to send money to New York in payment of any bills that we owe there the rate that we secure is usually a little less than the rate that is quoted.

Q.—Current rates?

A.—Yes.

Q.—Well, with reference to Mr. Ridout, had he appeared in the scene previously? Did he represent anybody?

A.—I cannot tell you who he represented.

Q.—Is he a man of large means?

A.—I don't know anything about his personal standing?

Q.—Is he rated high?

A.—I have never looked it up.

MR. LEWIS: According to your evidence it would appear as if these bills were already printed and ready for delivery before the Order in Council authorizing them was passed?

A.—Well, just as soon as I get the wording of the bills I proceed to get them printed to have them ready.

Q.—What I have in mind, on that first transaction, is the first letter was April 20th, the letter of acceptance was on the 20th of April, the Order in Council authorizing the printing of the bills was on the 23rd, and the recommendation for the printing was on the 23rd of April?

A.—Yes.

Q.—And the bills were already printed?

A.—No, I cannot say they were already printed?

Q.—Were not they delivered the next day? On the 24th?

A.—Yes.

Q.—Well, you didn't have them printed between the 23rd and 24th?

A.—Yes, you can get it printed overnight. I have had them printed overnight.

Q.—And this whole loan was put through according to the records in one day?

A.—Apparently so.

Q.—So that surely we may assume that negotiations covered by the loan had been taking place several days previous?

A.—I don't know anything about it.

Q.—If you were negotiating a loan, would you expect to start in on the 23rd and complete the loan and put it through in one day?

A.—I have had to do things very rapidly in times past.

Q.—Wouldn't you expect it was going to take several days, perhaps covering a week, before you finally got to the point of the price you were going to receive, and as to whether one firm was the best firm to deal with? I am putting it to you as I would expect to do myself?

A.—Well, all the financial deals move very rapidly.

Q.—Quite so; that is very rapid?

A.—Well, you had to give your answer within a few hours.

Q.—You were not consulted?

A.—No, sir.

Q.—First instructions you got was to go ahead and complete this deal?

A.—Yes, that is my recollection

Q.—And the same with the second?

A.—Yes.

Q.—You don't know who was advising the Minister?

A.—No.

Q.—You don't know whether he was consulting anyone?

A.—I don't know anything of what the Minister did.

MR. DOHERTY: In the matter of six-month bills such a thing as long-conducted negotiations would be impossible?

A.—Yes.

Q.—A man could not say what he was going to give for Treasury Bills unless he knew the exact day he was going to take it up?

A.—That is my experience.

Q.—You have got to get your offer and make your reply probably within two or three hours, because they won't hold it after three o'clock?

A.—That is my experience.

Q.—That is your experience in finance?

A.—Yes.

Q.—Negotiations cannot be prolonged over a matter of 24 or 48 hours at the outside?

A.—They usually put a time limit on it.

MR. LEWIS: Three days?

A.—Oh, no, not necessarily.

Q.—You paid interest from the date of the note; the notes are dated, I think, the 23rd?

A.—We got accrued interest up to the day.

Q.—Who got that accrued interest, you?

A.—The Treasurer, yes.

Q.—They didn't take that off you, did they?

A.—No.

The Committee adjourned until Friday morning, March 14th, 1924.

PUBLIC ACCOUNTS COMMITTEE

The Committee met Friday morning, March 14th, 1924, with Mr. Finlayson in the chair.

Mr. Douglas K. Ridout called; sworn.

Examined by Hon. W. H. Price, K.C.

Q.—Mr. Ridout, what is your full name?

A.—Douglas K. Ridout.

Q.—Where do you live?

A.—In Toronto.

Q.—Where do you carry on business?

A.—Union Bank Building.

Q.—What is your business?

A.—Insurance and financial.

Q.—What is your firm?

A.—Ridout & Strickland.

HON. MR. DOHERTY: Insurance and financial brokers?

A.—Yes.

HON. MR. PRICE: Do you remember carrying out a financial deal for the Province in April and May of 1923?

A.—Yes, quite well.

Q.—How much money was involved in that deal?

A.—\$10,000,000.

Q.—And how did you get in touch with the deal in the first place?

A.—I went up to see the Provincial Treasurer several times; asked him if he wanted a short date loan. I came in the morning and said, Would you like a short date loan. I will get you some. He said, We want some money. What are your rates? What will you give it for? And I wrote him a letter.

Q.—How long was this, before you wrote the letter, that you talked it over?

A.—The same day. I am almost positive the same day, or the afternoon before.

Q.—And your letter was dated?

A.—20th of April, 1923.

Q.—Then, after discussing the matter with the Hon. Peter Smith, the Treasurer, you wrote a letter, dated April 20th, 1923?

A.—Yes.

Q.—Which is part of Exhibit 1. Did you have any further conference before the letter was written with Mr. Smith?

A.—I don't think so. I don't remember.

Q.—When did you get an acceptance of the letter, of your offer?

A.—The same day, in the afternoon I think it was.

Q.—What, shortly, was your offer? What do you consider was your offer?

A.—I offered to purchase \$10,000,000 of Province of Ontario Treasury Bills at the rate of four and one-half per cent. to be paid for in Canadian funds, and that they be repayable in American funds when due.

Q.—Well, I see a letter here, dated April 20th, from the Provincial Treasurer, accepting your offer?

A.—Yes.

Q.—Have you got the original letter?

A.—There is the original letter.

Q.—You might produce the original letter.

A.—My other letter is attached to that. I suppose I can get a copy of it. May I ask, is that the same there exactly?

MR. PRICE: Yes, the same.

Q.—Was this letter of April 20th, from the Provincial Treasurer, accepting your offer, delivered to you at the Buildings?

A.—Yes. Just in Mr. Jones' office—the secretary's, just outside.

Q.—And how long after you put in your letter making this offer to buy these Treasury Bills did you receive Mr. Smith's acceptance?

A.—I don't remember how long it was.

Q.—Was it right there?

A.—No, it was not immediately.

Q.—Then, after receiving the Treasurer's letter accepting your proposition, what was your next move?

A.—I got in touch with New York on the telephone to get rates to resell.

Q.—With whom did you get in touch?

A.—Bond & Goodwin, brokers, there. I have done considerable business with them.

Q.—And what rate did you get?

A.— $5\frac{3}{4}$ was the first rate, I think. I would not be absolutely positive of that.

Q.—What was the final rate that you had?

A.—I did not close with them finally.

Q.—You did not close?

A.—Not with them.

Q.—You got from them a rate of about $5\frac{3}{4}$. How long was it before you got a final rate?

A.—On the Monday morning after, that was Friday, the 23rd, I think, I went down to New York Sunday night.

Q.—You went down to New York Sunday night with Mr. Mathews?

A.—Oh no; that is another time.

THE CHAIRMAN: Was it an option you had on these bills?

A.—No. Straight purchase.

Q.—Purchase at the time?

A.—Straight purchase at the time. I was to resell them.

DR. JAMIESON: Supposing you had failed to take up these bonds. Would there have been any penalty?

THE CHAIRMAN: Mr. Ridout would have used his own funds.

MR. PRICE: Well then, after getting in touch and finding you thought you could get a rate of $5\frac{3}{4}$ per cent. and leaving it at that time, who did you get in touch with next?

A.—I went to New York and saw the National City Bank?

Q.—That was the 23rd?

A.—Yes; I knew the vice-president.

Q.—And did you make final arrangements with them?

A.—I made final arrangements with them.

Q.—Was Mr. Mathews along with you?

A.—No, no. I was by myself.

Q.—And what was your arrangement?

A.—To take \$5,000,000 at $5\frac{1}{2}$ per cent. with option on the other.

Q.—\$5,000,000.

A.—\$5,000,000.

Q.—One for \$5,000,000, eventually sold at $5\frac{1}{2}$?

A.—Yes.

Q.—Well, when you had found out that you could sell these at $5\frac{1}{2}$, what was your next move?

A.—Well, before I got that, my next move was to get in touch with the exchange situation.

Q.—Well, what was the exchange situation?

A.—I saw two banks on Friday afternoon—no, one bank on Friday afternoon, to get a rate for \$5,000,000.

Q.—That is, in Toronto?

A.—Yes, before I went out. The one bank would not give me one, on the Saturday morning; they said they could not give me a rate on that large amount but they would lend against it and as they sold them would credit the difference, charging a small commission. On a large amount like that they could not leave it open.

Q.—That left it subject to the varying rate of exchange?

A.—Yes, the exchange was very ticklish at that time. I went to another large bank and asked them for a rate—well, I was forgetting—they gave me a rate of $\frac{1}{2}$ of one plus market. They were afraid. I went to the Bank of Montreal and got a rate.

Q.—You mean above the rate?

A.—No, they would not allow me as much for New York funds as the market showed because they were afraid a large amount of bonds would break it.

Q.—What rate did you get from the Bank of Montreal?

A.—I got a rate of 1 23-32, and if I delayed, I was to deliver the bonds in New York on Thursday, I was to deliver, to land in New York on Thursday following, and if they were not in New York on Thursday following I would lose 1-64 of one per cent. after each day. You see it is a ticklish business.

Q.—That was your rate, 1 23-32? That was your final rate agreed on.

A.—1 23-32 for the first \$5,000,000.

Q.—Subject to 1-64, and with that rate fixed at 1 23-32, as the rate of exchange, and with your discount rate fixed in New York at $5\frac{1}{2}$, you were ready to complete your deal?

A.—Ready to complete the deal.

Q.—And as a matter of fact then you notified the Province of the day upon which you would complete the deal?

A.—Yes.

Q.—Did you notify the Provincial Treasurer or Mr. Matthews? With whom did you get in touch?

A.—With the Treasurer.

Q.—Notified Mr. Smith of the day?

A.—Yes.

Q.—You were ready to go to New York. Now what day was that, that you went to New York for the purpose of carrying it out.

DR. JAMIESON: What sort of bonds?

MR. PRICE: Treasury Bills at eight months. He was discounting Treasury Bills without any interest. Simply a discounting proposition. He offered to discount them at $4\frac{1}{2}$ per cent.; of course that was a fairly low rate, and they were actually discounted in New York at $5\frac{1}{2}$.

MEMBER: Exchange made the difference.

MR. PRICE: The exchange took up part of it, but over and above all there was a balance.

Q.—Having got in touch with Mr. Smith and told him you were prepared to go to New York and complete this transaction, what arrangements were made?

A.—I asked them—this 1-64 rather frightened me—I asked him if they would send someone with me with the bonds so they would be sure to be delivered on the date. I was told by the bank that there was very apt to be delay at the customs when large amounts of bills went down. So he consented to send Mr. Mathews with me.

Q.—Yes, 1-64 of 1 per cent. would have made your rate then, if you had had to pay that, twenty-two and one-half thirty-second. It would just reduce your rate a little bit?

A.—For every day.

Q.—Mr. Mathews did go?

A.—Yes.

Q.—There was no quarrel with the 1-64? You did get a rate of 1 23-32?

A.—Yes.

Q.—After notifying Mr. Smith you were ready to go to New York to close this transaction what arrangements were made?

A.—They said they would have all the Treasury Bills ready and we took the New York train with the bills.

Q.—And who went with you?

A.—Mr. Mathews.

Q.—And, you were not here before the Public Accounts Committee, but, in order to shorten this up, Mr. Mathews has stated his expenses were paid by you?

A.—Yes.

Q.—And you went down together, to New York, you paying his expenses?

A.—Yes.

Q.—Now when you got to New York and got settled in your hotel, what was your next move?

A.—Went down to the Bank of Montreal.

Q.—Was Mr. Mathews with you?

A.—Yes.

Q.—And tell us what happened at the Bank of Montreal?

A.—Well, first of all, the National City people, before, had confirmed this arrangement from the Bank of Montreal, so I gave the Bank of Montreal the letter to hand over—"In connection with the Treasury Bills of the Province of Ontario amounting to \$5,000,000, delivered to you to-day by the Assistant Treasurer, Mr. Mathews, will you kindly deliver these to the National City Bank on payment by them to you of \$4,817,430.56. This amount is to be paid to you Thursday, the 26th instant."

Q.—Will you produce that copy?

A.—Yes. I would like to get copies of them, that is all.

Q.—Mr. Ridout produces a letter which he wrote to the agents of the Bank of Montreal, in New York City. Was it written in New York?

A.—I see the date is put there as—

Q.—The 25th?

A.—I was positive that was written in the morning I was in New York. I think there is a mistake in that date.

Q.—Now you are talking of this first \$5,000,000?

A.—Yes.

Q.—Because you made two trips?

A.—Two trips.

Q.—Were not you in New York on this date?

A.—April 25th? I don't think I was there until the 26th.

Q.—Well, Mr. Mathews has said 25th?

A.—Yes, that is right. Because I said 26th in the letter. It should be 25th.

Q.—This letter, Exhibit 10, reads:

The Agents,

Bank of Montreal,

New York, N.Y.

April 25th, 1923.

Dear Sirs:

In connection with Treasury Bills of the Province of Ontario amounting to \$5,000,000 delivered to you to-day by the Assistant Treasurer, Mr. Mathews, will you kindly deliver these to the National City Bank on payment by them to you of \$4,817,430.56.

This amount is to be paid to you Thursday, the 26th."

MB.

Yours very truly,

A.—It was paid the 25th.

Q.—Well, there is a mistake then.

A.—Yes, I have the receipt here for the amount of the 25th. That is the receipt from Mr. Mathews.

Q.—Produces the receipt, Exhibit 11.

Q.—Just before we go into that receipt, Mr. Mathews and you were at the Bank together? Are you sure you went to the Bank before you went to the National City Co.?

A.—We didn't go to the National City at all that trip.

Q.—How did you get this letter, I see it is on the Bank of Montreal paper?

A.—Yes. I wrote it in the Bank of Montreal room. They loaned me a stenographer.

Q.—Was Mr. Mathews there?

A.—Well, he was in one room. I was in the board room, I think.

Q.—But you had arranged with the National City Bank in advance, several days before?

A.—Yes, on the Saturday—on the Monday.

Q.—There was no necessity going that morning?

A.—No.

Q.—Mr. Mathews' receipt, now Exhibit 11. In the matter of an issue of \$10,000,000 Province of Ontario Treasury Bills, dated 25th April, 1923, payable 21st December, 1923, authorized by Orders-in-Council, made the 23rd day of April, 1923.

I, Charles A. Mathews, Assistant Provincial Treasurer of the Province of Ontario, do hereby certify that, for and on behalf of the Province of Ontario, I did on the 25th day of April, 1923, receive from D. K. Ridout, Esq., the purchase price of \$4,850,000 for Five Million Dollars (\$5,000,000) of Treasury Bills, being a portion of the above-mentioned issue of Ten Million Dollars (\$10,000,000) of Treasury Bills of the Province of Ontario, being payment in full in accordance with the agreement for the purchase thereof, and have delivered to the said D. K. Ridout, Esq., Treasury Bills of the said Province to the amount

of Five Million Dollars (\$5,000,000) each dated the 25th day of April, 1923, payable the 21st day of December, 1923, and numbered as follows:

200 Treasury Bills of \$10,000 each, numbered L-1 to L-200 inclusive.

200 Treasury Bills of \$15,000 each, numbered L-401 to L-600 inclusive.

Dated at Toronto this 25th day of April, 1923.

(Sgd.) C. A. Mathews,
Assistant Provincial Treasurer
of the Province of Ontario.

Q.—Now this is dated the 25th, so you are quite sure this transaction now was on the 25th, as Mr. Mathews has stated?

A.—Yes. It says here a letter delivered on the 25th.

Q.—Mr. Mathews produces, marked as Exhibit 12, a letter from the National City Bank dated 23rd of April, 1923.

THE NATIONAL CITY BANK
of New York.

New York, April 23rd, 1923.

In reply please quote initials SHV.

Mr. Douglas K. Ridout,
Union Bank Building,
Toronto, Canada.

Dear Sir:

We beg to confirm having purchased through you, subject to satisfactory legal opinion of Long and Daly, \$5,000,000 Province of Ontario Treasury Bills, dated April 25th, at eight months, at a discount of $5\frac{1}{2}$ per cent. per annum, net to us; these notes to be made payable in New York.

The above notes will be received by us through the agency of the Bank of Montreal, New York, on Thursday, April 26th, and proceeds will be paid to them.

Yours very truly,
Vice-President.

SHV-HF

Q.—Well then, after having arranged for the discount of these bills at $5\frac{1}{2}$ per cent., that is you sold them really to the National City Bank at a discount of $5\frac{1}{2}$ per cent.?

A.—Yes.

Q.—And they are eight months bills. After having arranged that, and your rate of exchange fixed at 1 23-32, what were the proceeds of these bills as far as you were concerned?

A.—How do you mean?

Q.—How much did you get for the bills?

A.—Well, I got the difference of course between the others—about \$50,000 I made. I think they transferred to my account \$50,000.

Q.—Let us understand that; that after having paid $5\frac{1}{2}$ per cent. and dealing with the rate of exchange at 1 23-32, that on this \$5,000,000 of bills you made a profit of \$50,000?

A.—I mean I paid my expenses out of that.

THE CHAIRMAN: What is the exact amount?

A.—I was trying to find the exact amount.

Q.—Have you a statement from the National City Co.? Would the Bank of Montreal show it?

A.—No, that would not show it.

Q.—Haven't you got an advice from the Bank of Montreal?

A.—I have.

Q.—Showing that so much was deposited to your credit in the Agency, New York City?

A.—No, being deposited to my credit here.

Q.—Well, it was deposited there and transferred?

A.—Well, the deal went through—I don't know where that letter is! Oh yes! There is the letter there: "We have to-day received."

MR. PRICE: Mr. Ridout produces (marked Exhibit 13) letter from the Bank of Montreal, dated 1st of May, 1923.

BANK OF MONTREAL.

Toronto, 1st May, 1923.

Personal

D. K. Ridout, Esq.,
Union Bank Building,
Toronto.

Dear Mr. Ridout:

We have to-day received from our New York Agents, \$4,818,000, New York funds, proceeds of Ontario Treasury Bills, and, as instructed by you, have placed the amount of \$4,853,750 to the credit of the Provincial Treasurer and have transferred to our office at 14 King St. West, the sum of \$50,070.62 for credit of your account at that branch.

We trust that this is quite satisfactory to you.

Yours faithfully,

(Sgd.) C. O. Moon,

For the Assistant Manager.

Q.—And they placed it to the credit of the Province of Ontario?

A.—Yes.

Q.—That is, discounted at $4\frac{1}{2}$ per cent. Canadian funds, to the Province of Ontario?

A.—Yes.

Q.—Now, that money then, having gone through in the same day—was Mr. Mathews advised that that money had been deposited to the credit of the Province?

A.—The Bank of Montreal advised him there, and he gave me a receipt when he was in New York.

Q.—Were you with Mr. Mathews when the advice came through?

A.—Yes. I was with him at the time.

Q.—Is it fair to say that you closed the whole transaction when the two of you were at the Bank?

A.—The whole transaction excepting my part with the National City.

Q.—The whole transaction so far as the Province was concerned, and the transfer of the money here, was done when you and Mr. Mathews were there together?

A.—Yes, in Mr. Hebdon's office.

Q.—Well, that was done all on the 25th of April?

A.—25th of April.

Q.—And what was the amount of money that you made on that deal on the 25th of April?

A.—They transferred, but unfortunately I haven't that letter, they transferred fifty thousand odd dollars—just about the same amount as that said.

Q.—We don't want these two mixed up.

THE CHAIRMAN: That was fifty thousand and some odd dollars that you made on that transaction?

A.—Yes.

MR. PRICE: That is right. Now was that money transferred that day?

A.—I think it came up the same time. When I came back they advised me.

Q.—That the money for the Province, deposited for the credit of the Province, was transferred from New York to Toronto on the same day the \$50,000, your personal money, was also transferred?

A.—Transferred the same day.

Q.—And transferred to head office, Bank of Montreal, in Toronto?

A.—Yes.

Q.—Who was the manager there?

A.—In Toronto?

Q.—Yes?

A.—Mr. Adam.

Q.—When were you advised that this money was to your credit in Toronto? Did you know right there?

A.—I think the same day. I was advised. I got a letter the same way as the other letter.

Q.—Were there any other moneys in addition to that, Mr. Ridout? That is the full profit that was made?

A.—That is the full profit that was made.

Q.—I suppose Dillons and the National City Bank would make their profit out of the 5½ per cent.?

A.—Yes.

Q.—They bought these and they bought at the rate of 5½ per cent.?

A.—Yes.

Q.—So that this was a clean profit that you made on the transaction?

A.—Yes.

Q.—Except your travelling expenses?

A.—Yes. Then, of course, I had to get the solicitor's opinion.

Q.—What did that cost you?

A.—I think about \$1,200.

Q.—You paid for a solicitor's opinion which cost you \$1,200?

A.—\$750 and \$500. I think I have it here.

MEMBER: It apparently costs money to get a solicitor's opinion on bonds.

MR. PRICE: Let us go to the second transaction, Mr. Ridout. Do you remember what day you went to New York on that?

A.—1st of May.

Q.—Did Mr. Mathews go down with you on that trip?

A.—Yes, he went on that trip.

Q.—Whom did you notify on that occasion that you were ready to go to New York?

A.—I suppose I notified the Provincial Treasurer. I would not be positive on that—Hon. Peter Smith.

Q.—Just at this point, your negotiations for this deal were carried on with the Provincial Treasurer?

A.—Yes.

Q.—To what extent were they carried on with Mr. Mathews?

A.—None at all. It had nothing to do with Mathews.

Q.—Mr. Mathews was an official in the Department?

A.—Yes, but it had nothing to do with him.

Q.—Then you went down, having arranged the second trip, you went down on the 1st of May?

A.—I got down on the 1st of May.

Q.—You would leave here on the 30th of April?

A.—Yes.

Q.—Now just explain what happened on this trip?

A.—Well, exactly the same procedure as on the other trip. Went to the Bank of Montreal, to the hotel and got breakfast, to the Bank of Montreal, delivered the bonds, and I wrote the letter exactly the same way as the other day.

Q.—Well, will you produce the correspondence you have on that part of the deal?

A.—Yes.

Q.—Mr. Ridout produces a letter from the Bank of Montreal, Exhibit 14, dated 27th of April, 1923:

BANK OF MONTREAL.

Toronto, 27th April, 1923.

Personal.

D. K. Ridout, Esq.,
Ridout and Strickland, Limited,
Toronto.

Dear Sir:

We beg to confirm having quoted you a premium of 1 25-32 for approximately \$5,000,000 New York funds to be paid to our New York agents on the 1st proximo, being proceeds of \$5,000,000 Province of Ontario Treasury Bills which you will hand to our New York office on that date for delivery to the purchasers.

If there is delay in payment 1-64 of one per cent. is to be charged for each day's delay.

Will you kindly confirm acceptance.

Yours faithfully,

(Sgd.)

B. S. Darling,

Assistant Manager.

Q.—“Delay!” Of course, Mr. Chairman, that is all eye-wash. There never is any delay in these things!

A.—Not in that case.

Q.—There never is any delay. The Province delivers them sharp on time.

THE CHAIRMAN: In this case there was no delay!

DR. JAMIESON: That is right, is it?

MR. PRICE: It is a little better rate. The other was 23-32. This is 25-32. Now this was on the 27th of April, Mr. Ridout, gotten from the Bank of Montreal, Toronto. Then you knew exactly what the exchange was when you went to New York?

A.—Exactly the same way.

Q.—You knew that factor completely?

A.—Well, I didn't know the exchange until then; of course when I went to New York on the second deal, yes.

Q.—It was a better rate than you got the first time?

A.—Yes.

Q.—As a matter of fact it is a little lower than what the exchange shows about that time. The general exchange shows probably up to about 2 per cent.?

A.—Yes. 2 1-16 and 2 1-32.

Q.—With that letter, and with also your discount rate fixed. Your discount rate was fixed on that?

A.—Yes 5½.

Q.—The National City Bank had an option on the second \$5,000,000?

A.—Yes.

Q.—And they took up the option?

A.—Yes.

Q.—So you had the two factors settled, in that 5½ per cent. rate and the 1 25-32 of an exchange rate, and you went to the Bank of Montreal when you went there, went with Mr. Mathews and settled the deal in the same way as you settled the other?

A.—Exactly. They got a little more rate for that.

Q.—Will you produce your letter?

A.—Which one?

Q.—On May 1st, the letter there?

A.—I gave that to you.

Q.—I have read this letter, Exhibit 13, and it shows that on May 1st, you had placed to your credit, to the credit of the Province, \$4,853,750, and placed to your own personal credit here \$50,070.62.

A.—Yes.

Q.—Mr. Ridout produces letter for the second \$5,000,000, from Mr. Mathews, being Exhibit 15. I will not take up the time to read that. It is similar to the other receipt which I read.

Exhibit 15.

In the matter of an issue of \$10,000,000 Province of Ontario Treasury Bills, dated 25th April, 1923, payable 21st December, 1923, authorized by Orders-in-Council, made the 23rd day of April, 1923.

I, Charles A. Mathews, Assistant Provincial Treasurer of the Province of Ontario, do hereby certify that for and on behalf of the Province of Ontario, I did on the 1st day of May, 1923, receive from D. K. Ridout, Esq., the purchase price of \$4,853,750 for Five Million Dollars (\$5,000,000) of Treasury Bills being a portion of the above-mentioned issue of Ten Million Dollars (\$10,000,000) of Treasury Bills of the Province of Ontario, being payment in full in accordance with the agreement for the purchase thereof, and have delivered to the said D. K. Ridout, Esq., Treasury Bills of the said Province to the amount of Five Million Dollars (\$5,000,000) each dated the 25th day of April, 1923, payable the 21st day of December, 1923, and numbered as follows:

200 Treasury Bills of \$10,000 each, numbered L-201 to L-400 inclusive.

200 Treasury Bills of \$15,000 each, numbered L-601 to L-800 inclusive.

Dated at Toronto this 1st day of May, 1923.

(Sgd.)

C. A. Mathews,
Assistant Provincial Treasurer,
Province of Ontario

Q.—Well, that meant, Mr. Ridout, that you had paid the Province what they were entitled to under this agreement in Canadian funds and that you had altogether on these two bills a little over \$100,000?

A.—No, a little under. Well, just about \$100,000. One per cent.

Q.—Have you got the exact amount?

A.—I haven't the exact amount on that first deal here.

Q.—Well, don't go into that, but it is approximately \$100,000.

A.—Approximately \$100,000. One per cent.

Q.—It may be a few dollars under or above?

A.—Approximately one per cent.

Q.—Well, was this credited to you in the Front Street branch of the bank?

A.—No, in the King Street.

Q.—They transferred it to the King Street?

A.—Yes.

Q.—What was the idea?

A.—My account was there, personal account.

Q.—Did you have a talk with Mr. Adam about this at the time?

A.—Oh no, I didn't meet him at all. An ordinary transaction. I got a rate for the thing and told him what to do.

Q.—Did you arrange this rate with Mr. Adam, the rate of exchange, and these two bills, or with whom?

A.—No, sir. With Mr. Darling, Assistant Manager.

Q.—You talked the matter over with him?

A.—Yes.

Q.—Well, you came back and you had a credit of this \$100,000. Did you discuss it with Mr. Adam?

A.—No, I didn't discuss it with Mr. Adam at all.

Q.—You had no discussion with Mr. Adam at all?

A.—Not that I remember.

Q.—You knew that the Bank of Montreal were the bankers for the Province on this transaction?

A.—Yes.

Q.—And whether the agency of the Bank of Montreal in New York was the Agency that the Province used?

A.—Well, I did not do it for that purpose. It was on account of the exchange rate.

Q.—Well, you knew that?

A.—No, I didn't particularly know it. It doesn't matter very much.

Q.—Do you mean to say you didn't know that the Bank of Montreal were bankers for the Province.

A.—Probably I would. But the other banks do their business too, don't they? I mean as the Bank of Montreal would be; but I didn't go to them for that reason.

Q.—You say you didn't go to them for that reason. Well, when you got on with the transaction and the bonds were deposited in New York, and the bonds payable at the Bank of Montreal, then you knew, didn't you?

A.—Yes, certainly.

Q.—And when you came back here and you had this credit of \$100,000, did you tell the Bank of Montreal what that meant?

A.—In what way.

Q.—Did you tell them it was your profit on this transaction?

A.—Yes, I suppose I would, with the King Street branch.

Q.—Did Mr. Mathews go with you to the Bank of Montreal when he came back?

A.—No, I don't think I saw him again.

Q.—Did you tell Mr. Mathews the amount you were making on this transaction?

A.—I certainly did not.

Q.—Well, isn't it strange, rather peculiar, you travelled to New York and back on this whole transaction, and you didn't tell him?

A.—I would not tell him. Mr. Mathews was sent down as a Province of Ontario man, to represent the Province.

Q.—But you were paying his expenses?

A.—Yes, naturally.

Q.—Naturally! You were travelling in the same compartment and very friendly. I should have thought you would have told him?

A.—I don't think I would. I don't think I should.

Q.—Did you tell him what you sold these bills at, what you discounted them at?

A.—No, I did not.

Q.—You just were as quiet as a clam?

A.—Well, on a trip like that you talk along, but I was not going to talk about that.

Q.—We will leave it at that. You did not tell him anything of the circumstances, discount rate, or what you were making?

A.—No.

Q.—Then after coming back, when you had this transferred to the Bank of Montreal, King and Yonge.

A.—Yes.

Q.—Who was the manager?

A.—Mr. Patterson.

Q.—Did you have an account there?

A.—Yes.

Q.—And you put this money in your own personal account?

A.—Yes.

Q.—\$100,000 approximately?

A.—Yes.

Q.—Was the first \$50,000 transferred before the second \$50,000, or was it transferred together?

A.—No, before, about the same time as the other transaction, I would say.

Q.—Then you had, when you came back from the first and had the \$50,000 there, you transferred it over to your own branch?

A.—Yes.

Q.—And when you came back from the second you transferred the second?

A.—Same thing, yes.

Q.—Have you got any other papers there, Mr. Ridout, that you are producing?

A.—No, I have no other papers here at all. You have got all these letters here.

Q.—Have you any Bank of Montreal letters, or anything we should have that gives any further light on the transaction? This is a letter that refers to the first \$5,000,000 that Mr. Ridout was looking for, dated 21st of April, 1923.

Exhibit 16.

BANK OF MONTREAL.

Toronto, 21st of April, 1923.

Personal.

D. K. Ridout, Esq.,
Ridout and Strickland, Limited,
Toronto.

Dear Sir:

We beg to confirm having quoted you a rate of 1 23-32 for a demand draft on Messrs. Bond and Goodwin, New York, for \$5,000,000 with Province of Ontario bonds attached—

A.—That is wrong; that is changed,

—the draft and securities to be delivered to us on Wednesday in time to enable us to catch the New York mail and payment by the drawees to be provided in New York on Thursday. If there is any delay in payment, 1-64 of 1 per cent. is to be added for each day's delay.

We shall be glad if you will send us a line in confirmation of your acceptance.

Yours faithfully,

(Sgd.) B. S. Darling,

Assistant Manager.

Q.—Well now, how about Bond and Goodwin?

A.—When I made the arrangements for this exchange I thought it would be with Bond and Goodwin, but that was afterwards changed.

Q.—On the 21st, a day after you bought these bonds you apparently had arranged that you would put them through Bond & Goodwin?

A.—That is what I thought.

Q.—And latterly you thought you would put it through the National City Bank?

A.—Yes, sir.

Q.—Have you anything further?

A.—There is nothing else. You can look it over and see if there is anything you want. There are two or three copies of these.

Q.—These are duplicates, are they?

A.—Yes, these are copies.

Q.—Well, Mr. Ridout, just while I am looking through these—you didn't seem to get the prevailing rate of exchange on this transaction. The rate of exchange was much higher?

A.—No, well it was not really, the rate of exchange dropped the day I got my first transaction, one quarter of one, after I got it, and went back again. The rate of exchange all through, I think any bank will confirm, all through that day was very touchy.

Q.—Well, the records show that the rate of exchange varied from about $1\frac{7}{8}$ to $2\frac{1}{4}$?

A.—Well, I am not positive. I think the C.P.R. were buying in their bonds. It kept up. There is a memo I got from the bank.

Q.—Would you just give us what your own enquiries show?

A.—My enquiries are very much below those on the 21st of April. I got from 1 15-16 to 1 23-32. What did I get on the first?

Q.—1 23-32.

A.—Well, that was the high there. The Bank of Commerce gave me a very much lower rate.

Q.—What was the high rate?

A.—1 23-32 was the high rate on that day, 21st of April, and I was offered very much below that rate at the Bank of Commerce.

Q.—On the later day what was the high rate?

A.—2 1-32. Of course this rate is between banks.

Q.—Yes, this is between banks, but between a bank in New York and a bank here, and the rate ran over 2 per cent.—2½%?

A.—2 1-16 and 1-32.

Q.—So it is evident on these transactions you did not get all that the rate showed at that time, but you got the best rate you could?

A.—Best rate I could.

Q.—Have you got with you your bank account of this transaction?

A.—No, I haven't.

Q.—Well, you were asked to produce it?

A.—I ran to my office the first thing this morning and there was a letter there and I intended shoving it in my pocket. It came in yesterday noon and I was telephoned first thing this morning. It got in my office yesterday and I did not receive it. Mr. Regan telephoned me this morning, and I said I had not received it.

MR. PRICE: Mr. Regan, did you notify Mr. Ridout on the first day?

MR. REGAN: I attempted to, and I posted a registered letter on the first mail the following morning.

THE CHAIRMAN: You went down for the purpose of making personal service?

MR. REGAN: Yes, Wednesday afternoon.

THE CHAIRMAN: And you notified Mr. Ridout's office that day?

MR. REGAN: I went in to see him and he was not there.

THE CHAIRMAN: Did you notify them that you wanted Mr. Ridout?

MR. RIDOUT: No, they didn't tell me that in the office.

MR. PRICE: Where were you on Wednesday?

A.—Montreal.

MR. PRICE: When did you come back?

A.—Thursday morning, yesterday morning. I was in and out of the office all day and I did not receive anything at all. I left fairly early in the afternoon.

MR. PRICE: What is the procedure about notifying witnesses. We have got to have quite a number of these meetings and we don't want to be delayed.

THE CHAIRMAN: Immediately after the adjournment we made out formal notice in the nature of a subpoena and the secretary was instructed to have personal service on both the witnesses who were ordered to attend. He went to Mr. Ridout's office and to the other office, and not being able to get them, made enquiries as to where Mr. Ridout was and asked them to communicate with him, and sent registered letter with the notice.

MR. RIDOUT: There was someone telephoned my house and left word, Mr. Regan, but I didn't know who he was and I didn't call him.

MR. PRICE: Let us examine as much as we can and you will have to produce your bank account. This money was deposited to your credit in the King and Yonge Street branch of the Bank of Montreal and your bank account there would show the withdrawals?

A.—Everything, yes.

Q.—So this \$100,000, your profit on this transaction, it went into your personal account? Was that all for yourself?

A.—All for myself.

Q.—Did you share that amount with anyone else? Anybody else at all?

A.—No.

Q.—What would you use that money for? Is it there at the present time?

A.—Invested some of it and paid it out.

Q.—Well, would your account show how you paid it out?

A.—Yes, show all the bank account.

Q.—Withdrawals?

A.—Withdrawals.

Q.—During what period was this money drawn out? Over what period?

A.—The transactions were all the time. I don't know. You put back, and take out.

Q.—How much of it was drawn out during the month of May?

A.—I cannot tell you offhand.

Q.—Give us an idea?

A.—Absolutely no idea at all.

Q.—You haven't any idea?

A.—No.

Q.—Was it all drawn out in May and June?

A.—No. It was not.

Q.—There was something left there by the end of June?

A.—I think most of it would be left. I am not trying—

Q.—I just want you to get your mind on it. It is your account, not mine. I want you to give the Committee the facts of it. We can see from the account, but we can make progress?

A.—How in the world can I remember a year ago what I had in my account or out of my account? I cannot do it.

Q.—Can you tell what you spent this money for, this \$100,000? It is all spent now?

A.—No, it isn't all spent now.

Q.—What did you spend it for? It is a big account?

A.—Well, I had a lot of things to clean up naturally, a lot of old things I wanted to clean out of the way.

Q.—So you cannot tell us how these amounts were drawn out of the bank, cannot tell us whether they were drawn out in checks or cash?

A.—Checks. Oh, it would all be checks, naturally, wouldn't it?

Q.—Well, I don't know naturally what it would be. I am asking you. You had the \$100,000 there and you don't seem to know how you paid it out or what you paid out?

A.—Well, it is unfortunate I did not get the notice. I would have had the whole thing for you. I just brought my file.

HON. MR. DOHERTY: Well, is this committee particularly anxious to know Mr. Ridout's personal affairs. The Treasurer asked him the question if this profit was his and if he divided it. As far as we are concerned, Mr. Ridout's household expenses, or how he has lived—

MR. PRICE: We won't bother with his household expenses.

THE CHAIRMAN: Nobody proposes to, but if Mr. Ridout obtained \$100,000 in this rapid way it is a very proper question for the Treasurer or any member

of the Committee to ask where it was used, and was it used for his personal expenses, and satisfy us on that.

A.—Oh, I meant that.

MR. PRICE: You say you don't know.

A.—I don't know the amount I had in my account.

THE CHAIRMAN: I fancy what will impress the Committee and the public is that you got \$100,000 very rapidly, and—

A.—It is only one per cent.

Q.—I am not saying about per cent. It is the amount, and if it is such a common thing that you cannot remember it, if you want to take that stand—

A.—I am not taking any stand. I am willing to—

MR. PRICE: I want to give you an opportunity to explain all this?

THE CHAIRMAN: I think Mr. Ridout is putting himself in a peculiar position by the careless way he treats it.

MR. CLARKE: I don't see that.

MR. RIDOUT: You were trying to ask me, I suppose, if I divided it with anybody. I said no.

MR. PRICE: Well the question was, do you remember what you did, if you remember anything at all? You say you paid some debts and made some investments.

DR. JAMIESON: I think if Mr. Ridout offers to produce his bank book and checks that would be sufficient.

THE CHAIRMAN: If Mr. Ridout would produce his checks before the next meeting the Treasurer could sort out those apparently personal and go into anything that calls for account.

MR. PRICE: I don't want to go into anything that is entirely personal, but I think the Committee has got to understand that this was a transaction right in election time where Mr. Ridout ostensibly made \$100,000, that a fairly high rate of interest had to be paid.

MR. DOHERTY: Why ostensibly? He actually did.

MR. PRICE: Now, it is up to Mr. Ridout to show that this money was his and he used it for his own purpose.

MR. DOHERTY: He said so under oath.

MR. PRICE: And I think the Committee and the public will want to know this situation. I want to be fair to Mr. Ridout, but I also want to bring out the facts of this transaction, which is a very peculiar one.

MR. RIDOUT: I don't think it is very peculiar at all. It is a very ordinary one. I have been doing this business for years. I have lots of transactions of that kind.

THE CHAIRMAN: I hope you have lots as easy and rapid.

MR. PRICE: We don't object to you making money.

MR. RIDOUT: Well, I had a transaction with Mr. McGarry on the notes in same way.

Q.—Yes, you had a million dollar deal with Mr. McGarry in 1916?

A.—I don't remember the date.

MR. CLARKE: Any difference in the method of doing it then and now?

A.—No.

Q.—As much profit?

A.—No, not as much profit.

MR. PRICE: Just a little further, Mr. Ridout, and then we will get you to

produce your books. I presume in your bank accounts that you have checks and vouchers for all the money drawn out?

A.—I think naturally I would.

Q.—The bank account would show the whole transaction, when the money was drawn out, and how?

A.—Yes.

Q.—And there is no reason why that should not be produced?

A.—No reason whatever.

Q.—If there are any personal matters, naturally we will not bring it before the committee. Then I think, Mr. Chairman, that we will ask Mr. Ridout to produce the bank account.

MR. DOHERTY: I think it might save the time of the Committee and personal embarrassment to Mr. Ridout if he produced it to the chairman or somebody on the Committee who will select and sort out anything personal that we don't want to embarrass you with. It will save time to the Committee if that is satisfactory.

MR. GRAVES: As an ordinary layman, is there any reason why the Provincial Treasurer's Department could not have done this deal at that time and saved that money for the Province?

A.—I cannot tell you that.

Q.—Well, I am only asking as an ordinary, average man.

MR. DOHERTY: You are an insurance and financial broker?

A.—Yes.

Q.—Your business takes you into the realm of finance as well as into ordinary insurance?

A.—Yes, all the time.

Q.—The buying of Government securities, I take it from your evidence, is in your regular line of business?

A.—Yes.

Q.—You have had transactions with the Provincial Government previous to 1923?

A.—And also the City of Toronto.

Q.—I was going to ask you. You had with the Province. You had with the City of Toronto?

A.—Yes.

Q.—With the Federal Government?

A.—No, I didn't have.

Q.—You never bought any Federal Government securities? The last transaction you had with the Province in the way of buying securities, previous to your transaction of April, 1923, was when, can you remember?

A.—No, I cannot. I think the Treasurer said before what date it was, 1916, wasn't it?

Q.—You didn't have one in 1919?

A.—No, I don't think I had anything only the 1916. I would not be positive about that date.

Q.—That transaction was by way of purchasing Treasury Bills?

A.—Exactly the same.

Q.—Six or eight months, do you remember?

A.—No.

Q.—Well, in April, 1923, you opened negotiations with the then Treasurer.

I suppose you knew from the records that there was some money required, is that how you knew? And you saw the Treasurer?

A.—Yes.

Q.—Asked him if he would be selling any Treasury Bills?

A.—Yes.

Q.—You made an offer then in writing to the Treasurer under date of April 20?

A.—Yes.

Q.—You gave the terms of your offer in that letter?

A.—Yes.

Q.—The terms of that were that you were to discount these at $4\frac{1}{2}$?

A.— $4\frac{1}{2}$.

Q.—Canadian funds?

A.—Yes.

Q.—Payable in American funds?

A.—Yes.

Q.—You got the Treasurer's acceptance?

A.—Yes.

Q.—The deal then, so far as you and the Treasurer was concerned, was closed?

A.—Yes.

Q.—You had made that formal offer for the Treasury Bills and he had given you acceptance of the same. So far as you and the Treasurer are concerned, the terms were fixed and the deal was closed?

A.—Yes.

Q.—Was that deal carried out exactly as per the terms of your offer and his acceptance?

A.—Exactly.

Q.—That is the way I got it. The Province got every cent that was coming to it under the terms of the deal which was closed between you and the Treasurer?

A.—Yes, every cent.

Q.—Then you made a deal with the National City Bank of New York. You say, I understood you to say, that after you had closed this deal with the Treasurer you—immediately after the acceptance—you could not say whether you were going to make money on it or lose?

A.—No, you could not.

MR. PRICE: That is all rot!

A.—No, I could not say how much money, but I was positive I was going to make a profit.

MR. DOHERTY: But you could not say how much or how little you were going to make?

A.—No.

Q.—The first offer you got on the discounting of these bills was one-half per cent. higher?

A.—Yes.

Q.—Now if you could not have made any other deal but that, if you could not have got another offer from New York, than that, how much would you have made on the whole deal?

A.—That would have made one-quarter of one per cent. difference—\$12,500.

Q.—On the first \$5,000,000 you made your New York deals after it had been considered?

A.—Yes.

Q.—At that time you say exchange was very touchy?

A.—They were touchy.

THE CHAIRMAN: The records shows perfectly even right along that day.

A.—I know, but if you ask any exchange man of that day he will say it was very touchy.

MR. DOHERTY: No person would have just as good and clear recollection of the situation at the time as Mr. Ridout because you were the man whose interests were involved in that item of exchange?

A.—Excepting the Bank of Commerce. They said they were pretty glad they didn't get it because the rate dropped right off that afternoon.

Q.—So that you were taking millions of a gambling chance right at that time?

A.—I was.

Q.—Now your profits on this, which I don't think is a matter of concern to the Province at all, but nevertheless you have given the committee your evidence as to what you actually did make. You made approximately \$100,000 on the \$10,000,000 transaction?

A.—Yes, sir.

Q.—You have said that you are familiar with transactions where brokers, or syndicates of brokers purchased securities from the Province or the Federal Government. Have you a fairly accurate idea of the differential which usually exists between the prices which would be paid to the Province or to the Dominion Government on a \$10,000,000 issue, the price paid by the syndicate to the Province and the price at which the syndicate turns that over to the public?

A.—I should think, on long term, about three per cent.

Q.—Did you ever know of a syndicate taking securities from the Dominion or Provincial Government and turning them over and realizing a differential between the two of one per cent.?

A.—Never.

Q.—The percentage of profit you made on this transaction would not be more than half of the percentage of profit that is made in the ordinary long term bond transaction between a Government and a syndicate?

A.—Right.

Q.—You made a profit?

A.—Yes.

Q.—The profit you made was on a deal that was carried out absolutely according to the agreement made between you and the Treasurer?

A.—Yes.

Q.—Every dollar of that profit went to you?

A.—Yes.

Q.—Was kept by you?

A.—Yes.

Q.—Divided with nobody?

A.—Yes, nobody.

MR. PRICE: I don't want to interrupt, but he is making statements instead of asking questions.

THE CHAIRMAN: I don't want to be too technical, but you must ask questions.

MR. DOHERTY: I want plain blunt truth.

Q.—The fact that you made a profit would not indicate that it was a bad deal for the Province?

A.—I would not think so.

Q.—If you had made a loss it would not indicate that it was a good deal for the Province?

A.—No.

Q.—The Province got all the money that was coming to it. You made a profit and you have kept the profit legitimately?

A.—Yes.

Q.—And it is your own?

A.—Yes.

Q.—And it is only about one-half the percentage of profit that is usually made on transactions of that magnitude, on transactions of long term magnitude.

THE CHAIRMAN: Who gave you the information that the Province was going into the market?

A.—I was in touch with it all the time.

Q.—Where did you get it?

A.—Mr. Smith.

Q.—How did you come to come to Mr. Smith and close this one-day transaction?

A.—Well, I had been asking Mr. Smith for some months for some of this short date business.

Q.—Did you get the information as to the probability of the Province going into that from anyone else but Mr. Smith?

A.—Nobody else.

Q.—Mr. Smith and you dealt directly?

A.—Yes.

Q.—How long before this had you been anticipating it and talking about it?

A.—On this particular transaction?

Q.—This is the only one you had?

A.—This is the only one I could close.

Q.—How long had you been discussing this?

A.—Oh, within 24 hours. I should think the same day.

Q.—You never discussed it with Mr. Smith until 24 hours before you closed it?

A.—No.

Q.—So you went to Mr. Smith, made a deal, and closed it within a day.

A.—Within a day.

Q.—And there was no competition about it?

A.—No competition.

Q.—And virtually it was an option? As a matter of fact it was in the nature of an option?

A.—Well, it was a straight purchase option. I knew perfectly well I could sell.

Q.—You had anticipated all that?

A.—No. I did not get in touch with the money in any shape.

Q.—Well, as far as your offer was concerned you were not in a position to be held liable for \$10,000,000?

A.—No.

Q.—You were not in the position Mr. Doherty suggested of the National City, or a group of brokers purchasing an issue, were you?

A.—No, I should not think so.

Q.—I do not want to be personal, but you could not be held liable for \$10,000,000 or any portion of it?

A.—Or any portion, no.

Q.—So you were not taking any chances at all?

A.—Oh I suppose I was not taking any.

Q.—As a matter of fact you were not taking a bit of chance of any kind? If you had backed out of it, and found the market went against you, you could have backed out and the Province was helpless?

A.—Yes.

Q.—So you did not take a bit of chance. And you discounted all the chances later on by making a trip to New York and finding where you could place it?

A.—Oh no.

Q.—I thought you made a straight offer?

A.—So I did.

Q.—Well, you were liable?

A.—Well, I could not be liable for \$10,000,000 I suppose.

MEMBER: He says he could not be held liable.

A.—I could be held liable for the difference what you could place it at and what I could place it at. I could not be liable for the whole \$10,000,000.

Q.—The Province could not have collected the whole \$10,000,000 or any part of it? That is the fact isn't it?

A.—That is the fact.

Q.—Or they could not have collected \$100,000?

MR. CLARKE: Oh that may be, if a man makes \$100,000.

Q.—You did not take any chance at all.

A.—A certain chance.

MR. PRICE: The only chance you took was whether you would make \$100,000 or \$50,000.

Q.—Another thing, Mr. Ridout, the profit was yours, not your firm's?

A.—My own personally.

DR. JAMIESON: I don't know that you have made that quite clear. Mr. Ridout had a bargain with the Treasurer, that he was to take your bills and went off to see if he could sell them; supposing he could not have sold them, could he have backed out and not be held liable?

THE CHAIRMAN: Legally he says he could be held responsible, as a matter of fact the Province could not have collected from him a million or a hundred thousand.

MR. CLARKE: Supposing there is a loss of \$50,000 or \$25,000, could not they have collected?

A.—I beg your pardon. You said \$10,000,000.

MR. PRICE: I think you are arguing about something that never happened and what the public are interested in is this \$100,000 Mr. Ridout did make.

MR. LEWIS: I notice Mr. Ridout told Mr. Doherty he had had a small transaction with the Province once before. He purchased bills of the same nature?

A.—Yes.

Q.—About 1916?

A.—About that, yes.

Q.—Were the conditions governing that sale largely similar?

A.—It was done exactly the same way.

Q.—I mean did you make your profit by taking advantage of an exchange rate?

A.—No, we made profit another way because exchange was different.

MR. PRICE: No, Mr. Ridout made his profit that time one-quarter of one per cent. on \$2,000,000, just \$5,000.

MR. LEWIS: The profit was not anything like as much as this case?

A.—No, no.

Q.—But the proportion is larger, an ordinary broker's profit on buying and selling these, and in this case, Mr. Ridout, you were not dealing exactly on the same basis, you say you took advantage of the exchange basis?

A.—Yes.

Q.—You saw an opportunity to take advantage of an exchange rate in your favour by New York money and that is what took you into this deal?

A.—That is right.

Q.—Did you suggest to the Treasurer that there was an opportunity for the Government to take advantage of that exchange rate?

A.—No, I did not.

MR. DOHERTY: You say you paid \$1,200 for your legal advice. Do you consider that your profit for the time you put on it and the liability you incurred was any greater than the profit of that \$1,200?

A.—Not a bit.

MR. PRICE: When you saw the Provincial Treasurer at the time you made the deal did you tell him that the exchange was running about 2 per cent.

A.—I didn't tell him anything about the exchange.

Q.—You did not bring to his attention that the exchange was 2 per cent.

A.—No.

Q.—You did not tell him he could go to New York and take advantage of the exchange?

A.—I did not tell him.

Q.—You wanted to make a good deal yourself?

A.—Naturally I wanted to make some money.

Q.—If he was easy you were prepared to take it that way.

MR. GRAVES: I think what the Province is most interested is why a Department of the Province didn't do practically, or see that it was done, practically, what an outsider comes in and does in 24 hours. I think that the first question I asked was quite a fair question, as a citizen. We have a Department. We have practical men. Now, if it is possible for any man to walk up here and make that money I think that what we are interested to know is why that can be allowed. We know that the ordinary broker has a certain commission for doing certain work and nobody objects, but I think the people will object to the fact that it is possible for anybody honestly or dishonestly, or any way, to get that amount of money for the amount of work done. I think that is a fair standpoint, irrespective of politics, this Government or any other Government, and I think that is what our Department is for, and I think any one of us having a man or Department that will permit that will not keep the Department.

MR. DOHERTY: I imagine through a series of years the Department has found probably—

MR. LEWIS: This was a distinct proposition of one day, and Mr. Ridout admits here that he was not taking any chance. Now if he was not taking any chance what chance would Mr. Mathews or the Provincial Treasurer take?

MR. DOHERTY: Well, that is not always the case. Take yesterday

morning at 10 o'clock as compared with this morning, and he would have, if he had been in the market, he would have lost \$100,000.

MR. PRICE: He couldn't lose. He had his exchange fixed the next day. Mr. Ridout has sworn that on the 20th of April he bought these Treasury Bills and on the 21st, when there was no appreciable change in the exchange, he got a rate of 1 23/32. Therefore, in 24 hours he had the whole thing fixed to make his profit. What is the use of sidestepping anything of that kind.

MR. DOHERTY: Supposing it had jumped up over-night.

THE CHAIRMAN: Nobody blames Mr. Ridout.

MR. PRICE: Mr. Ridout, you will produce your bank account next meeting.

MR. LEWIS: Mr. Ridout, in connection with this transaction, you were not asked to put up a deposit to insure the Government against loss?

A.—They do not make a habit of doing it.

Q.—Supposing there had been loss on the transaction through your failure to dispose of these bills, say a loss of \$100,000, would you have been in a position to bear that loss for the Province?

A.—I would not, \$100,000.

MR. PRICE: The other witness subpoenaed was Mr. Roadhouse. I understand Mr. Roadhouse is in California and he probably may not be back for next week. He left about three weeks ago on a trip. If he comes we will be able to produce him. If not someone else will be produced from Osler & Hammond's office to detail that transaction.

The Committee adjourned until Monday evening, March 17th, at 8 P.M.

PUBLIC ACCOUNTS COMMITTEE

The Committee met Monday evening, March 17th, 1924, at 8 P.M. In the absence of Mr. Finlayson, Mr. A. C. Lewis was appointed to take the chair.

G. C. Adam called; sworn. Hon. W. H. Price, K.C., examining.

Q.—Mr. Adam, you are the General Manager for the Bank of Montreal in the City of Toronto?

A.—Local Manager.

Q.—And in that position have supervision of all the branches of the Bank of Montreal?

A.—No; just my own office.

Q.—Just your own branch. Do you remember last April and May transacting some business with Mr. Douglas K. Ridout and handling money also for the Province?

A.—Yes.

Q.—Your bank, Mr. Adam, has been for a number of years the agency for the Province, transacting its business?

A.—Well, the Government has had an account with most of the banks in the city, but we have done a great deal of business for the Government.

Q.—And a great deal of that business of the Province has been transacted through the agency of the Bank of Montreal in New York City?

A.—Yes.

Q.—I notice that on April 20th, 1923, Mr. Ridout made an offer to the Province of Ontario to purchase \$10,000,000 in bonds and that after the acceptance of that offer he says he got in touch with your bank to ascertain what the rate of exchange was. Did he speak to you about that?

A.—No, to my assistant, Mr. Darling.

Q.—Who would that be?

A.—Mr. Darling.

Q.—Mr. Ridout did mention your name as the manager of the bank with whom he transacted the business?

A.—Mr. Ridout got the rate from Mr. Darling. As a matter of fact I think that day I was not in the office.

Q.—Well, have you a record of a money transaction for Mr. Ridout from the Agency of the Bank of Montreal, New York, to your branch here?

A.—I have.

Q.—Will you produce that record?

A.—I have had a statement there prepared of the transaction. You must bear in mind, honourable members, that it is not a transaction of \$10,000,000, but two fives. We knew nothing about the second five when Mr. Ridout approached us for the rate.

Q.—When Mr. Ridout spoke to you he spoke about the first five?

A.—Yes.

Q.—And latterly there was another five?

A.—Yes, the rate is not the same on the second. It was some days later.

Q.—Just while you are on that, did Mr. Ridout speak to you about the transaction before he negotiated it with the Province?

A.—I don't think I can tell you. I don't think I know. He must have got a tentative bid from some banker, because he made a bid.

Q.—He made a firm offer?

A.—He must have got some rate.

Q.—Well, did the Province consult your bank about it before they made the deal?

A.—Oh, I think not at all.

Q.—Then you produce a statement showing that on April 25th, 1923, New York funds paid to the agents of the Bank of Montreal, New York, by the National City Bank, for credit to D. K. Ridout, \$4,817,430.56, New York funds, premium at 1 23/32, that premium being \$82,799.53?

A.—Allow me! That \$82,000 is the amount that we added as premium on the New York funds. The amount is the amount which we received from the National City Bank for credit of Mr. Ridout.

Q.—Making a total of \$4,930,230, amount available in Canadian funds. Did that all come up together, Mr. Adam? Later, here, you say, it was distributed a part to the Province, and part to Mr. Ridout?

A.—The first item came up only we added the second item; that is the premium on New York funds and then we—

THE CHAIRMAN: That is, the premium was added in Toronto?

A.—The premium was added by the bank.

Q.—In Toronto?

A.—Yes.

Q.—It was added by the New York branch?

A.—No, no.

Q.—This was the exchange?

A.—Exchange, yes. You asked me if it was added in Toronto. As a matter of fact we had it added in Montreal because our foreign exchange office is there. But it must be added on this side of the line.

Q.—Then you distributed that on the 26th of April?

A.—On Mr. Ridout's instructions we distributed it on the next day.

Q.—The amount then distributed for the Province, credited to the Province, was \$4,850,000, and the amount to the King and Yonge account of Mr. Ridout, \$50,230.14 making a total.

A.—The two balances, yes.

Q.—Mr. Ridout spoke to you. Did you have a talk with him at that time about this amount.

A.—No.

Q.—You didn't have any talk with him at that time?

A.—No.

Q.—We will go on to the second transaction. On May 1st, 1923, New York funds, paid to Agents, Bank of Montreal, New York, by National City Bank, credit of Mr. Ridout, \$4,818,000, New York funds, with the premium of 1 25/32 added?

A.—It was a little higher, sir.

Q.—\$85,820.62, making a total of \$4,903,820.62 received; that was received really to the credit of Mr. Ridout?

A.—It was subject to Mr. Ridout's directions because Mr. Mathews held the bills in New York and they were not delivered until the payment was made to the Province.

Q.—That is the idea! That is, the bills were deposited with your Agency in New York?

A.—Yes.

Q.—When the money was paid in there—

A.—As soon as the money was paid in there we were advised and we credited the Province, and we wired and the bills were realized.

Q.—And the bills realized.

A.—Yes.

Q.—Simultaneous transaction?

A.—Exactly, there is a wire in the office. It is only a matter of a moment, just as if we were telephoning.

Q.—Then the distribution of that to the credit of the Province of Ontario \$4,853,750, to the credit of King and Yonge account, Mr. Ridout, \$50,070.62, making a total of the \$4,903,820.62, and that meant this; you have credited Mr. Ridout in one case, that is to his account in the King and Yonge branch, \$50,230.14, and in the other case \$50,070.62, making a total of somewhat over \$100,000?

A.—A little over \$100,000, yes.

Q.—Then was this money, any portion of it, transferred? I will put this in as Exhibit 18.

Statement produced by the Manager of the Bank of Montreal, marked as Exhibit 18?

A.—I have all the correspondence here supporting this evidence, Colonel; that is all that I have here.

Q.—When this first transaction of the \$5,000,000 was completed, apparently, on the 26th of April, 1923, was the \$50,230.14 transferred to the King and Yonge Street branch at once?

A.—Both credits were made at once.

Q.—And then on May 1st?

A.—The same.

Q.—It was transferred over?

A.—Yes. As a matter of fact, Colonel, it didn't come into our books at all. We took the New York entry and passed it through to Patterson's office.

Q.—You gave Ridout a credit in Patterson's office of \$50,000 in one case and \$50,000 in the other?

A.—Exactly.

Q.—Now you told me you didn't have a discussion with Mr. Ridout on the first occasion. Then on the second occasion, or about that time, did you have discussion with Mr. Ridout?

A.—I don't think I had any discussion with him the day he got the second rate; if I remember rightly Mr. Darling was told that he was selling another \$5,000,000 for the Province and would we quote again on it, and we wired the foreign exchange department and they gave us apparently the rate you see, 25/32, instead of 23/32.

Q.—You gave the second rate as 1 25/32?

A.—It was a little higher, five days later.

Q.—But I am referring to when the transaction was completed and the credit was wired to you, and this money sent through. Did you have a discussion with Mr. Ridout?

A.—I don't think I saw Mr. Ridout for some days afterwards.

Q.—That is after the first?

A.—No, after the second. I don't think I saw him between the transactions at all.

Q.—Well then, after the second transaction, a few days afterwards, did you have a talk?

A.—He called to see me, came in to see me. I think, I should fancy, two or three days, perhaps, after the second transaction, after the second transaction had gone through.

Q.—What was the object of calling to see you?

A.—I don't know. I don't know what would bring him in. He came into my office and asked if I noticed that he had put through a very good transaction, a very good deal for the Province, and I said yes. I don't think I talked with him except for a moment.

Q.—Did he say a good deal for the Province or a good deal for himself?

A.—No, I think for the Province. I said to him I thought the Province had paid a pretty good price for it.

Q.—You thought the Province had paid a pretty good price for it?

A.—Yes.

Q.—That is, you said that to Ridout?

A.—Yes. Remember you are asking me to repeat a conversation of a year ago. Words to that effect, that I thought the Province had paid a very high price for the sale of these bonds.

Q.—Well, Mr. Adam, did he say that he made all this money himself?

A.—I asked him if he—I think I said: Is it true you made 1 per cent. on this transaction? And he said, yes.

Q.—Well, didn't it seem rather strange that he should make \$100,000 out of a transaction, and that you did not question him further?

A.—Oh no. I don't think so. I said I thought that was, the Province had paid a very high price for the sale of their bonds.

Q.—Did he tell you what he was going to do with the money or whether it was his money, all his money?

A.—It is very difficult for me to remember the conversation. If I remember

rightly I said to him: You made \$100,000 on this deal? He said, Yes. I said, That is a lot of money for a young man to make. I said, I hope you will be able to spend it wisely. And I think he made some joking remark to me. Well, I think I will pay my debts and perhaps, if there is anything left, I will make a subscription to the fund. But it was said in joke.

Q.—What fund?

A.—Oh, I didn't question that.

Q.—What did you take from his remark?

A.—I think the remark was made as he was leaving my office, and I do not think I made any comment to it. It was said in a laughing way, and I must say I did not call him back. I cannot remember the words, Colonel, but that is what I have in my mind as a bit of the conversation.

Q.—You have expressed yourself; you are a prominent banker, and have had a great deal of experience in financial matters. You have expressed yourself to Mr. Ridout that this was a pretty high price for the Province to pay. In view of the fact that your bank acted for the Province in most of its, I think almost all of its deals, all its financial transactions, did you speak to Mr. Smith about it and point out to him what a serious thing it was for the Province of Ontario?

A.—No, I did not.

Q.—Did you speak to any of the other Cabinet Ministers?

A.—About this deal?

Q.—About this deal?

A.—No, I did not.

Q.—Didn't you think it was of sufficient importance to, say, bring it to the attention of the Premier?

A.—Oh no. No, I didn't. Are you asking me did I speak to the Premier?

Q.—Yes?

A.—No, I did not.

Q.—This matter was not brought then to the attention of Mr. Smith or to the Prime Minister?

A.—I don't think so, Mr. Price.

Q.—You see this, looking at it from the Province's standpoint, it was a very expensive deal for the Province?

A.—Well, I think so, yes.

Q.—At any time after that, did you speak to Mr. Smith about it?

A.—No. I don't think I had occasion to speak to Mr. Smith after that. I don't think we had any dealings with the Department, not before the election.

Q.—Before the election?

A.—We had no further dealing with them after that.

Q.—Did you have any other conversation with Mr. Ridout?

A.—Not on this subject.

Q.—Concerning this particular subject?

A.—No, no. I don't think I have ever mentioned it to him since.

Q.—What usually, on a bill of this kind, what usually is the brokerage allowed?

A.—You mean?

Q.—Well, you take, for instance, you are selling a bill of this kind, a broker intervenes, what would he charge?

A.—Let me ask you! You mean if the Government asked us to place—

Q.—Yes, if the Government asked you to place, yes, a Treasury note for say six or seven or eight months, as this was?

A.—I would think—let me see—I would think one-sixteenth of one per cent. would be a reasonable charge, perhaps a good charge.

Q.—The bank would probably charge one-sixteenth of one per cent.?

A.—A good deal depends, you see, on the size of the transaction. If you made a large issue I think you should get a closer one than one-sixteenth of one per cent.—on \$10,000,000, let me see, one-sixteenth of one on \$10,000,000 is—one-quarter, is \$25,000—I would think it is perhaps a very good rate. Don't say a very good rate, say a good rate.

Q.—On a loan of that size?

A.—Yes, a good deal depends on how large your list of brokers are who are after the business. If you want \$10,000,000 to-morrow then advertise for tenders and you will get 10 brokers bidding, and I think these men would probably shade that one-sixteenth a bit.

Q.—Well, that being so, one per cent. or \$100,000 was a tremendous profit on the transaction? That is right?

A.—I think it was a very large profit.

MR. DOHERTY: This is not a brokerage transaction at all.

MR. PRICE: That is why I thought probably you might have brought it to the attention of the Premier or some member of the Government?

A.—No. I have discussed it with no member of the Government.

HON. CHARLES MCCREA examining:

Q.—You were surprised, Mr. Adam, when you learned you had made one per cent. on the transaction?

A.—I think any banker would, Mr. McCrea.

Q.—It was too much for the Province to pay on a sound business basis?

A.—Well, it is too much for anybody to pay. Well, \$10,000,000—I am talking of securities of the value of the Province of Ontario, as high a value as the Province of Ontario.

Q.—And that was your reason for commenting to Mr. Ridout?

A.—Yes.

Q.—And you say you don't know what fund Mr. Ridout referred to when he said he might have to make a contribution to the fund?

A.—I cannot tell you the words. I know there was some reference to, if he had anything left after paying his debts, he might make a subscription to the fund. But I do not want you to ask me to give you the words after a year. I was not interested at the time, but there was some reference to contribution to the fund. And I did not follow it up.

THE CHAIRMAN: I suppose, Mr. Adam, that remark conveyed something to your mind, though, as to what fund would be meant?

A.—I don't know that I am enough of a politician.

Q.—Well, did you think it was a political fund?

A.—I don't know. I naturally would expect it would be a political fund, yes.

Q.—I am not trying to tie you down. But there was some such impression created in your mind, even by this jocular remark, that any fund would be a political fund?

A.—That would be the inference, I suppose, yes.

MR. MCCREA: Your advice was not sought. The Bank of Montreal advice was not sought?

A.—No, no, not at all.

MR. LEWIS: Not by the Province?

A.—I don't think so.

MR. MCCREA: At any rate your advice was not sought?

A.—No, no.

Q.—Would there be any other official of the bank in Toronto whose advice would be asked?

A.—No, no. When you say if advice was sought, they may have telephoned to ask for the rate, but there was no advice sought.

Q.—But as to the method of the disposition of the bills?

A.—Absolutely no.

Q.—No advice sought?

A.—No, no.

MR. DOHERTY: When Mr. Ridout made this remark that you have referred to, you took it as being made just in a jocular way?

A.—Absolutely.

Q.—You didn't take it in any way as being serious?

A.—Not at all.

Q.—You have no knowledge or no information that any such contribution ever was made?

A.—Oh no, none whatever.

Q.—When you say that these Treasury Bills could have been handled on a margin brokerage of one-sixteenth, do you want the Committee to understand—I suppose that would not contemplate a firm bid for the securities, simply that the notes would be sold for whatever they could be sold for, and whatever they brought, you would take one-sixteenth?

A.—Would you just repeat that, please?

Q.—You say a brokerage of one-sixteenth would not contemplate a firm offer for the securities, because if you made a firm offer it would be on some basis of discounting them at $4\frac{1}{2}$ or $4\frac{1}{4}$ per cent.? But when you say, charge a brokerage of one-sixteenth, that you would sell the securities for the Province in the City of New York, and whatever they brought one-sixteenth would be deducted for brokerage?

A.—Oh yes, except that it all depends on the wording of your tender. You might ask for a firm bid in Toronto dollars, well that would include the one-sixteenth and the New York funds, and you would make it payable in Toronto, in Canadian funds. You can word your tender any way you like.

Q.—I understand that?

A.—I am only saying that a broker in negotiating for a deal of this kind, would, I think, figure on a sixteenth as his commission for this work. It doesn't matter how you serve the figures up to the Department. You either sell it for what it will bring, or you make a firm offer at the current rate in New York. I don't think it makes any difference.

Q.—But if you made a firm offer and in the meantime things changed to your advantage you would get one-sixteenth plus whatever change there was?

A.—Well, you would not make an offer of purchase for \$10,000,000 without getting your figures.

Q.—Complete at the other end?

A.—Oh along the line that you would take no chance on it. It is not a question of chance at all.

MR. CURRIE: No man would make a firm bid on these bonds without first

getting a banker to agree to advance him that money. Mr. Ridout, before he made a bid to the Treasurer, would have seen some banker who was going to do the banking for him. That is customary in transactions of this kind. To make a firm bid to Mr. Smith he must have had \$10,000,000 that he could pay for these bonds?

A.—Oh, he knew where he was going to discount them.

Q.—He knew where he was going to get the \$10,000,000?

A.—I should think so.

Q.—He didn't ask the bank, if he got these bonds, was it prepared to stand behind him?

A.—No, he didn't discuss the business of buying at all.

Q.—Did he suggest buying the bonds outright? It was not? Because if he would undertake to sell these bonds for that amount and take a commission.

A.—No.

Q.—Well, he must have seen some banker, or else he must have had \$10,000,000 in his jeans. That is about it?

A.—That is about it.

Q.—It happens then that the transaction went through in that way, just the same as if he had \$10,000,000 right at his credit, to take the bonds up in Toronto as soon as they were presented! No man with any common sense would make a bid such as he made unless he was sure of two things; either he had \$10,000,000 ready, or the other, that the man who was giving him the bonds was going to stand in with him and would not press him in case he was not able to complete the transaction?

A.—He must have known where he was going to discount his bills. Where would he get the money?

Q.—He didn't make any arrangements with your bank whereby the bank was going to stand behind him?

A.—Oh no. We did nothing at all but quote him on the transfer of the funds from New York.

Q.—As to the amount that you—

A.—He banked with one of our branches in the city, not my office.

Q.—You would not know whether that branch had told him to go ahead and get these bonds, we will stand behind you?

A.—Oh yes. The Bank of Montreal did not.

Q.—Agree to lend him on that?

A.—Nothing. He only came to us on the rate.

Q.—You did not agree to lend him on the bonds?

A.—No, no.

Q.—You didn't agree to lend him on the bonds on margin if he had to hold the bonds after he bought them, supposing he had to hold them?

A.—No, no. We did not see the bonds. The bonds were taken by Mr. Ridout to New York. We only handled the proceeds of the sale of them.

Q.—If it was a straight transaction of his own he would have made that transaction in Toronto before he went to New York?

A.—He took the bonds to New York and sold them and I only came on the scene after he had sold the bonds.

Q.—What I want to fix is that he had not a bunch of money ready to take these bonds up here, such as his transaction would show, the letter he gave to the Treasurer was to the effect that he would buy the bonds at a certain figure?

A.—I don't quite follow you.

MR. CURRIE: He must have had a broker in New York. He had an agent in New York. It was the National City, who had promised to take the bonds from him when he took them down there, and they were delivered to the National City and the money came back to Toronto. So the National City must have given him a firm bid on it before he had them?

A.—I assume so. How could he make his rate?

Q.—He has never had any other transactions of this kind with your bank?

A.—I don't think he has ever had a transaction with us.

Q.—You would think one-sixteenth would have been a good earning on that brokerage transaction?

A.—I think so, Mr. Currie, yes.

Q.—Another question; was there any great variation in exchange at that time, so as to warrant his taking a big gamble; exchange changes rapidly; was there any great fluctuation about that time?

A.—It could hardly jump \$100,000.

Q.—That is what I was trying to get at. It could not jump \$100,000 in a couple of days, so he was not running very much chances?

A.—I should not think so.

Q.—Do you know if he is recognized as a competent broker here in town for big transactions?

A.—I don't know that. I am sure I would not like to say.

Q.—He did not put any big transactions through your bank.

A.—I don't think so. I cannot recollect any large transactions previous to that. I am speaking from memory only. But I don't remember.

Q.—So if he did not make some arrangements with his banker here or a banker in New York you don't think he would be warranted in walking in and making a firm bid for these bonds?

A.—I don't think any man has a right to bid for bonds until he knows where he is going to place them.

Q.—You don't think he was taking a big chance on the Treasurer standing behind him in that transaction. He could do it then. Suppose the Treasurer said, you put a firm bid in for me and try and sell them and make what you can over and above that?

MR. McCRAE: Do you know whether he had an option on these bonds or whether it was a direct sale?

A.—No, I cannot tell you.

Q.—He sold these bonds in New York. All you had to do was to make a rate of exchange?

A.—Yes, just bring the money from New York to Toronto.

Q.—And make a rate of exchange?

A.—Yes.

Q.—Nothing to do with the sale of the bonds?

A.—Absolutely nothing.

Q.—You don't know whether it was a direct sale or not?

A.—No.

Q.—Well, if it was a direct sale he must have had a credit beforehand, either with the bank in Canada or New York. That would take care of the bonds for him when he got them.

A.—I would think so, yes.

MR. KEITH: You are banker for the Government, for a number of years?

A.—Yes. The Government has an account with all the banks.

Q.—But you have been banker, in the same position that you held with the late Government, you held that position for a number of years?

A.—One of the banks. We have done a great deal for the Government, yes. You would hardly call us Government bankers.

Q.—In all that time was your advice sought by any of the Treasurers as to the sale of the bonds?

A.—Oh very often, yes.

Q.—Did you ever handle any of the Treasury notes or bonds at one-sixteenth of one per cent.?

A.—I do not think we ever put out an issue for the Government. Did we ever put out an issue for the Government, Colonel, can you tell me?

MR. PRICE: I think not the large issues. You have put out Treasury Bills.

A.—Yes. We usually loaned them some money.

Q.—You never put through a deal of this kind at one-sixteenth?

A.—I don't think so. I cannot tell you offhand. If you came and asked me to make an offer I would figure on one-sixteenth as my profit. When you ask me did I ever make a transaction of this kind I cannot tell you without looking up my records.

Q.—You don't remember?

A.—I don't remember, no.

MR. MCCREA: What I would like to know is this. Here is the sale of some bonds. A man comes to me and says, I have \$10,000,000 of bonds to sell. If I make a direct offer for these bonds that is one thing. If I have an option for the sale of these bonds that is another thing. What I think is essential to us to find out is whether he had an option or whether he made a direct bid?

MR. PRICE: That is already established. It is a uniform bid for the purchase of the bonds.

MR. MCCREA: Then as far as the Bank of Montreal was concerned, all it did was to make the rate of exchange.

MR. PROULX: When the bank loaned money to the Government was it over short terms?

A.—Just in anticipation of an issue, usually, just until an issue comes.

Q.—What was the usual rate charged?

A.—Oh well, there is no one rate. It varies.

Q.—Well, the rate of exchange?

A.—Oh, I cannot tell you, any one rate, it fluctuates so much.

Q.—Do you remember the lowest rate you charged the Government?

A.—I do not remember the low rate.

Q.—Would it be over five per cent?

A.—Oh, I suppose about 5 per cent. would be low rate. Have you any record of that?

MR. PRICE: Well, I could tell you; it has varied from $4\frac{1}{2}$ to 6 for the last twenty years. Years ago it was $4\frac{1}{2}$.

A.—I don't think we have ever loaned money in my office since I have been in charge at $4\frac{1}{2}$, but I fancy that the Government has borrowed money from the banks at five.

MR. PROULX: In 1923, do you remember what it was?

A.—I cannot tell you what it would be.

Q.—Have you any idea?

MR. PRICE: I think we got some from you at $5\frac{1}{4}$ per cent.?

A.—Probably, yes.

MR. PRICE: I borrowed at $5\frac{1}{4}$?

A.—That varies altogether from month to month or half-year to half-year anyway.

MR. GARDEN: Do you consider the usual procedure for the Government to employ brokers as was done in this case; do they not usually go right to the bank for these things?

A.—No. I have always advocated the advertising for tenders. That is the safe way.

Q.—And had the Government approached you for this sale of bonds, would your bank have saved the Province \$100,000? Would you have done it for, say, \$6,000 or \$7,000?

A.—If he had approached me I would have said, advertise for tenders. I think Mr. Smith will bear me out. I have always advocated that, and I advocate that to-day, to Colonel Price or any other Treasurer.

Q.—And in this case tenders were not advertised, to your knowledge?

A.—Not to my knowledge, no.

Mr. Douglas K. Ridout recalled. Already sworn.

MR. PRICE: Mr. Chairman, just before Mr. Ridout is examined, the other day I asked him to produce his bank book and he was unable to do so, and I think some honourable member of the Committee, I think Mr. Doherty, suggested I would go over the cheques. I hardly felt like doing that, but after talking it over with Mr. Ridout, I have gone over the cheques and they number probably 150 altogether, and I picked out a number of cheques that seemed to want some explanation. And I leave those cheques here for Mr. Ridout to explain. He has also produced a copy of his account, and in addition to that a pass book showing a deposit account. So, as I have looked over these and gone into them to a certain extent with Mr. Ridout, I will not continue the examination, but ask Mr. McCrea to continue the examination.

MR. MCCREA examining.

Q.—Mr. Ridout, how many bank accounts did you have in which you were interested when you made the first profit on the \$5,000,000 transaction in April, 24 or 25?

A.—Well, two with the Bank of Montreal and one with the Royal Bank.

Q.—Where were the accounts with the Bank of Montreal?

A.—King Street Branch.

Q.—Was that a Savings Account or a Current Account?

A.—Savings and Current.

Q.—These were the two accounts?

A.—Yes.

Q.—Account 5781 is the Savings Account?

A.—That would be Savings Account.

Q.—And in that account on the 26th of May you deposited \$10,232.14 and \$40,000?

A.—Yes, \$10,000 was a transfer, wasn't it?

Q.—Subsequent. But on the 26th you deposited \$10,232?

A.—I did not deposit. They put to my credit.

Q.—And \$40,000. And subsequently, that \$10,232.14, I think it was the next day, was transferred to the current account?

A.—Yes.

Q.—Now is the bank book which you produce, number 5781, the bank book covering the savings transaction?

A.—Yes, that would cover savings transactions.

Q.—I notice in this bank book that there have been a number of writings on the account which appear to have been made recently?

A.—Mr. Patterson made those on Saturday.

Q.—Is Mr. Patterson here?

A.—Yes, he is the manager.

Q.—The date—will you tell me there what month starts at the top of the page, on page 1?

A.—January 15th, I think.

Q.—January 15th?

A.—I think so.

Q.—And there is no change in the name of the month from this until July?

A.—Not by that there isn't. That is April, though.

Q.—Well now, the book itself cannot be carried so far as times and dates are concerned?

A.—Excepting the month—this is April.

Q.—Well, there is no month mentioned, from January down to July. Although there is \$40,000 and \$10,000 deposited in April, the book does not show that—

A.—Well, here is a corrected book.

Q.—It was written up then?

A.—Saturday.

Q.—Well, I prefer to deal with this?

A.—Col. Price has them both there.

Q.—You cannot tell from the original book with accuracy what dates deposits were made?

A.—You cannot there.

MR. PRICE: I would just like to interject that Mr. Ridout produced the new book, the newly written-up book, and I asked him to get the old book because the entries looked to be in the new book he produced. He was quite willing to produce it. He was quite willing to produce the other book.

MR. MCCREA: Now from the 26th of April until some time later there are a number of substantial cheques drawn against this savings account?

A.—Yes.

Q.—There is one for \$4,921, apparently on—what date is that?

A.—June 22nd, that is a loan.

Q.—That is a loan?

A.—Yes, a private loan.

Q.—Private loan?

A.—Yes.

Q.—Then on May 28th there is one for \$10,340.68 to L. C. Owen?

A.—I bought some bonds with them. I have his file here. That is a private thing. I am not putting these up for exhibit.

Q.—What sort of bonds? Are these bearer bonds?

A.—Yes, bearer bonds.

Q.—Have you still these?

A.—No, I sold them two months ago.

Q.—Through?

A.—Mara & McCarthy.

Q.—Were they the same bonds you bought?

A.—Exactly.

Q.—On the 28th of May?

A.—Yes.

Q.—And they were sold through Maras?

A.—Yes. Mara & McCarthy.

Q.—And the proceeds of these bonds?

A.—Went to the Bank of Montreal, to my account there. I think \$15,000 were sold because I bought some subsequently. But you will find deposited \$15,000 if you look through the sheets.

THE CHAIRMAN: Perhaps you can locate them.

A.—No, they won't show on these sheets at all.

MR. MCCREA: Where does it show?

A.—In this year's sheets, Bank of Montreal.

Q.—Then \$4,925 on the 27th of July?

A.—That is a private loan. That is repaid.

Q.—That has since been repaid?

A.—Yes.

Q.—About what date?

A.—I cannot tell you. Look that up. It went through the Bank of Montreal, too. That was last year.

Q.—And the repayment of the loan?

A.—Three months afterwards, maybe. I don't know. I have had several transactions.

MR. MCCREA: Then there is a cheque of May 22nd, for \$9,559.30?

A.—That went to, you will find it there, the cheque is there, to Cassels, Brock & Kelley, my solicitors.

Q.—You don't appear to have that cheque, \$9,559?

A.—It was in all these cheques.

Q.—Were there two lots of bonds?

A.—Yes, two lots of bonds. The other is here. What date is that?

Q.—22nd of May?

A.—No. Not until October, the second lot. That was the Cassels, Brock & Kelley, that \$9,500.

Q.—Have you any voucher or receipts for the \$9,559.30?

A.—I thought it was there. What is the date again?

Q.—May 22nd is the date it was paid?

A.—Yes, here it is.

Q.—That was in connection with a business transaction?

A.—Yes, that is a loan paid off, Union Bank. I paid off the Union Bank a loan. They paid it for me.

Q.—This is repaid on mortgage, I think?

A.—Yes, mortgage.

Q.—On the 10th of May a cheque, 1923, a cheque payable to cash \$5,000. In the back is 50—\$100 bills?

A.—Yes, that was on the 10th of May. That was the day before I went to New York. I loaned a personal friend of mine \$3,000 of that. I thought I wanted \$5,000 and I drew \$5,000. I re-deposited the other amount when I got back from New York two weeks afterwards. There is the note I got for it afterwards. I would not like to have the name public unless it is absolutely necessary in that.

Q.—Was this note signed at the time the money was given?

A.—No. I only got that note to-day. I never got anything at all for it before to-day.

THE CHAIRMAN: Still owing?

A.—Still owing.

Q.—What of the \$2,000 balance?

A.—I took it in my pocket to New York. He was ill at the house at the time and he telephoned me and I thought he wanted \$5,000 and I took out \$5,000 and I went up there and kept \$2,000 in my pocket. I paid my expenses, went up for a holiday with my wife and when I came back I re-deposited, or gave to Cassels, Brock & Kelley \$1,400 for payment off a transaction I had there. There are the receipts there. I have a letter from them to that effect.

Q.—That is on the 21st of May?

A.—Yes. On the 21st of May I got back again. I had a letter from Cassels, Brock. The Colonel saw a letter to-day from them covering that point, acknowledging having taken that thing, that \$1,400.

MR. PRICE: Cassels, Brock?

A.—Yes. The amount of the claim which they settled was \$1,550 and I gave them cheque for \$150, and \$1,400 cash.

MR. MCCREA: How much did you pay to Cassels, Brock & Kelley?

A.—\$1,400 cash and \$150—\$1,550.

Q.—Out of \$2,000?

A.—Yes. The other went to my expenses when I went down to Rye, New Jersey, outside New York there.

Q.—Why was there not a note taken before to-day for that \$3,000 loan?

A.—I always thought Mr. Curry would pay it back when he could.

DR. GODFREY: Mr. who?

A.—Well, I was not going to say; it slipped out.

Q.—Well, why was not a note taken when you loaned this money to Mr.

Curry?

A.—I think that is too bad.

Q.—Why wasn't a note taken at the time?

DR. GODFREY: What was the name?

A.—I don't want to give—

Q.—But you did tell it? I understand you to say J. W. Curry?

A.—I didn't say J. W. Curry.

MR. J. A. CURRIE: I want this thing settled. What Curry was it? I wasn't me?

A.—No, Colonel, it was not.

MR. MCCREA: What I would like to know is why there was not some note or evidence on this line taken from this borrower at the time the loan was made?

A.—I was in a hurry. I ran up there. I was on my way to catch a five o'clock train to New York and I had no time. I knew when I asked for it would get it.

Q.—Well, this was in May, 1923?

A.—Well, I knew perfectly well I could get it.

Q.—Is that the way you run your business?

A.—Oh, with personal friends, sometimes.

Q.—Why didn't you give him a cheque instead of bringing it in bills?

A.—I did not know the amount he wanted. I thought it was \$5,000.

was only \$3,000. So I kept the other \$2,000. I didn't give him any more than I had to.

Q.—Did he phone you?

A.—Yes, he was at his house. He was ill on the day.

Q.—Was he Registrar then?

A.—No, I think not.

MR. MCCREA: You are sure of that date?

A.—Absolutely, the other is on the 9th.

Q.—Then on the 9th there is another \$5,000. Was that a loan?

A.—That is a loan, absolutely, yes.

Q.—Then on this one you took a note on the very day it was given, a friend?

A.—Well, yes, a friend.

Q.—Partner, in fact?

A.—Partner, in fact, yes.

Q.—When was this note made?

A.—That was made to-day, too.

Q.—So there was \$8,000 worth of notes made to-day? For moneys lent back in May, 1923?

A.—Yes. We had arrangements for that when we were in Goldale stock we were to take up.

Q.—When you loaned this money to Mr. what's-his-name?

A.—Are you going to get the name? I will write it out for you.

Q.—Was that an ordinary business transaction or a friendly loan?

A.—An ordinary business transaction.

Q.—And no note taken for that until to-day?

A.—No.

Q.—Now, I see a cheque, May 9th, payable to yourself, for \$5,050, and marks on the back showing that it was drawn in bills?

A.—Yes, but we had a certified account with this bank and both guaranteed and I didn't want them to know the full transaction.

Q.—Well, you didn't keep very close records, then, of your loans or transactions, where it was among friends? That is a fair statement?

A.—That is a fair statement, yes, I knew who I was dealing with.

Q.—Here was another amount to the same man who signed the note for \$5,000, for \$7,000, October 31st, 1923. That is some time afterwards?

A.—Yes. That has been since repaid.

Q.—Any note kept of that transaction, by way of a note or anything of that sort?

A.—No, same way.

Q.—Then, on April 30th, 1923, there is a cheque for \$2,500 to Ridout & Trickland, Ltd.?

A.—Well, those are just paid into my account—

Q.—Where is the account kept?

A.—That was paid, Standard Bank.

Q.—Deposited there?

A.—Yes, deposited there. They have not that account there now, but I wish you would not make this public, because I have shown Colonel Price the danger and everything on these things.

Q.—Then, on May 5th, there is another one for \$2,000 handled the same way?

A.—Yes, handled the same way.

MR. PRICE: I don't want this to be misunderstood. Mr. Ridout did show me his ledger, but I cannot go into a ledger and in ten minutes figure out whether it is right or wrong. I am not going to take any responsibility. We will look into the ledger and ascertain the facts.

MR. HANEY: I understand there is something gone wrong at the head table, at any rate among those who know the name attached to one note for four thousand odd dollars. You know the name, do you, Mr. Chairman?

THE CHAIRMAN: Yes, I think it would be fair to say this, as far as I am concerned, that there are certain transactions being gone through. Perhaps some of these transactions appear to be personal business of Mr. Ridout's; some of the others, perhaps, are open to question as to whether they are or are not. The ones that are open to question I do not, as Chairman, pretend, I don't see any reason why they should not be gone into thoroughly and properly.

MR. HANEY: I have a motion for this Committee to decide upon: that, in view of the fact that this is an open investigation, that the name that thus far has been kept secret be now given, in this transaction.

MR. CURRIE: I second it.

MR. HANEY: That the name be indicated to this Committee.

THE CHAIRMAN: Well, the name is fairly public. I don't think there is any question; there is only the one that is in question.

MR. HANEY: That is the one; if there are others let somebody else move.

MR. CURRIE: There may be some of these transactions that appear to be personal business, but there are some that certainly are open to question as to whether they are or not, and these should be made public.

I have attended some of these gatherings, and if it is a matter of personal friendship or anything of that kind it doesn't hurt anybody. These things have always got out, been made public, and I think this Committee should rule that way and let the names come out, and if it is a friendly loan, the lending his partner some money, or his brother-in-law, it doesn't hurt that man. But let us clear that situation and let the public have the names.

THE CHAIRMAN: Well, is it the pleasure of the Committee that these various loans, the parties to whom they were made, that the names be made public?

Carried.

MR. CURRIE: Come on, out with them, so that we will know who they are.

MR. LEWIS: The first one was a loan of \$3,000 which was made early, shortly after the transaction went through, May 10th. There was a note taken to-day by Mr. Ridout from the person to whom that loan was made, a \$3,000 note, signed by James W. Curry.

DR. GODFREY: Who is he?

MEMBER: Is that u-r-r-y?

THE CHAIRMAN: C-u-r-r-y.

MEMBER: What position does he hold to-day?

THE CHAIRMAN: I think there is no question about his identity.

MR. CURRIE: What you say is not evidence in this case. Ask Mr. Ridout.

THE CHAIRMAN: He has already been asked and the answer is on record that the gentleman who got the loan is the present Registrar.

Q.—Of what?

THE CHAIRMAN: Of Toronto.

Q.—And when did he assume that position?

MR. HANEY: Last June.

MR. MCCREA: This cheque of May 10th, for \$5,000 drawn in cash, of that amount \$3,000 went to J. W. Curry, and the note was given for it to-day?

MEMBER: Is that the second amount or the first?

MR. MCCREA: This is the \$3,000 he got on the 10th of May, 1923.

Q.—Then the other \$5,050, dated May 9th, was to one of Mr. Ridout's partners?

A.—No, it was not. Excuse me. May I see it?

MR. CURRIE: What is the name, please?

MR. MCCREA: The name is Mr. A. H. Britton.

A.—I don't think it is fair to deal with these private things in that way.

MR. MCCREA: Well, we are not going behind what he did with the money.

MR. CURRIE: When was that note given?

THE CHAIRMAN: To-day, Mr. Currie.

MR. MCCREA: Now, I have here, I will just go over them—on the 5th of May, 1923, there is a cheque to Ridout & Strickland for \$2,000, deposited to the Standard Bank? That is correct?

A.—Yes.

Q.—April 30th, 1923, cheque to Ridout & Strickland, \$2,500, deposited, Standard Bank.

Q.—On May 10th, you have explained that \$5,000 of which Mr. Curry got \$3,000?

On May 9th, \$5,050, to his partner?

\$4,921 on June 22nd, to his partner—

A.—Yes, Britton.

MR. PRICE: Is there a new note?

A.—That has been paid off.

Q.—The other has not?

A.—No. He said he would pay it off any time I wanted it.

Q.—On the 7th of May there is one to yourself of \$5,000.

A.—Yes, deposited in the Royal Bank—giving the full particulars of it.

Q.—Are these particulars attached?

A.—Yes.

Q.—I notice in these particulars—

A.—Have you got to give these private details on that? That is the record. I don't mind anybody in the Committee seeing it, but I don't want all the newspapers in the country to publish my private affairs.

MR. MCCREA: What do you say, Mr. Chairman?

MR. RIDOUT: Well, it is all right there. I don't mind anybody seeing it.

MR. HANEY: What is the matter with this gentleman making explanations so we can hear?

MEMBER: If we strike an item that is personal I don't suppose the Committee wants to go into the matter.

MR. RIDOUT: I have just explained.

MR. CURRIE: Well, this Committee has ordered that all these facts must be brought out.

THE CHAIRMAN: As far as I am concerned you can have all the information that is here. I ask Mr. McCrea to go ahead with his examination.

Q.—I would like to point out, if you don't mind, that at the last meeting they said those private matters would be kept private.

MEMBER: Ask Mr. Ridout how the notes came to be signed up to-day?

MR. MCCREA: Maybe you didn't hear—

A.—They are both personal friends of mine. I didn't want the note, but I thought it would be much better to have the evidence here to-night of the transaction.

MR. CURRIE: Do you mean to tell me that J. W. Curry, a man who has only recently, about that time, received a legacy of \$100,000, had to borrow \$3,000 from you?

A.—He borrowed \$3,000 from me. He did not get the \$100,000—

MEMBER: He was not the only one that got a legacy of \$100,000.

MR. MCCREA: Well, that is what Mr. Ridout says?

A.—I think that can be easily confirmed. When I make a statement I am not going to have those statements questioned.

Q.—During the month of May you purchased approximately \$20,000 worth of bonds. Were these bearer bonds?

A.—Yes.

Q.—Where have these bonds been since the date of their purchase?

A.—I think they were sold—they were in my safety deposit vault.

Q.—And when were they sold? Give us the date of the sale of the bonds purchased?

A.—About six weeks ago. Two months ago, within the last two months.

Q.—Can you give us the exact date?

A.—I can get my statement from Mara & McCarthy, brokers.

Q.—And the \$10,340 purchased, were they handled by Mara & McCarthy?

A.—The purchase was not handled by them; the sale of a portion of them was and I have the others.

Q.—You still have the others?

A.—Yes.

Q.—Have the bonds which you purchased through Owens been continuously in your possession since the date of purchase until a portion was sold by Mara & McCarthy?

A.—Absolutely in my possession, except I think I put them up at the Bank of Montreal for a loan for a short while, part of them. But they were not outside of either my possession or theirs.

Q.—There is a June sheet that is not here?

A.—A June sheet?

Q.—I mean a July sheet?

A.—Haven't any sheets at all. I thought I gave them to Mr. Price. All I have is the cheques. I haven't a sheet at all of the banks.

Q.—Well, according to your bank book, to your savings bank book, 5781 out of \$50,000 deposited on the 26th of May, it was practically gone by the end of October. That is right, isn't it?

A.—Yes.

Q.—And the one deposited in your current account appears to have been gone by the end of June?

MR. LEWIS: What was the amount of that?

MR. MCCREA: The amount of that was—

A.—End of June? Well, you have all the cheques there.

Q.—But I am taking these sheets. That is why I asked you for the July sheet. It is not here. Well, at the end of June, according to these sheets which you produce, there was a balance at the 24th of June of \$6,349?

MR. CURRIE: Is that out of \$100,000?

MR. MCCREA: No, that is the \$50,000 in the current, and \$10,000 from the savings, making a total of \$60,000.

Q.—I see that of the \$50,000 of the second loan transaction received on the 2nd of May, and \$10,232.14 transferred from the savings account, Bank of Montreal, to current account, making a total of \$60,000 odd, that was gone, according to the accounts, down to the 24th of June, to \$6,349—no, \$634. Left out of \$60,000?

A.—You would not leave it without any interest or anything.

MR. DOHERTY: Why should a man leave it lie in a bank if he has any head on him?

MR. MCCREA: The accounts you have told us, the Bank of Montreal and the Standard Bank, and the Royal Bank, would cover all your bank accounts?

A.—Yes, that covers all the bank accounts.

Q.—Have you any bank account besides these?

A.—No, no bank accounts besides those.

Q.—Had you at the time?

A.—I don't think so. I think these were the only two accounts I had. I owed a couple of banks money, but I never had any account with them, any checking account. These are the only two checking accounts. Is that a better way of putting it?

Q.—When you sold the bonds and received the cash where did the cash go?

A.—In the Bank of Montreal.

Q.—Is it shown in this account?

A.—It will show in later sheets, but it went into the Bank of Montreal.

Q.—Is that recently?

A.—Yes, within the last two months.

Q.—Within the last two months?

A.—I think it was within the last two months.

Q.—Within the last thirty days?

A.—No, not within the last thirty days, I think.

Q.—Have any of the bonds been sold within the last thirty days?

A.—None at all.

Q.—Can you give us a statement as to the dates as well as the particulars?

A.—Yes.

Q.—Have you it there?

A.—No, I haven't it here. I can get it for you. I have the memorandum.

MR. CURRIE: How much cash is there left?

A.—I have given all my cheques and everything into the Colonel, as to where that money went out.

Q.—There is no cash balance left. I am in earnest. Is there any cash balance left of this \$100,000?

A.—Certainly there is cash left. I am not going to tell you the amount. I am not going to give all my private affairs away. Surely I have the same protection one would have in a court.

Q.—Well, I don't know about that. You have two accounts for this whole \$110,000?

A.—\$100,000. The whole thing is there and accounted for. I have the cheque for every cent.

Q.—You have accounted for cheques given to friends and money deposited

this place and that place and various accounts settled and such. Now there is \$60,000 gone all but \$600—

MR. MCCREA: All but \$634.

MR. CURRIE: Now what about the other account, the balance. Where is the balance of that \$100,000?

A.—Why, it went to my brokers. I bought a house and lots of things.

Q.—Well, you will have to have a statement of all these things and show this Committee what you did?

A.—Why certainly, without any trouble.

Q.—That is in fairness to yourself?

A.—Yes, I think you are right. I can show you absolutely every cent.

Q.—What you have in assets for this \$100,000?

A.—Absolutely.

Q.—You understand, it gives us a bad taste in our mouth?

A.—I don't see that.

Q.—Well, it leaves certain sums unaccounted for?

A.—There is not a five-cent piece unaccounted for in those statements.

MR. CURRIE: Now, Mr. Chairman, I understand some of this money was given to J. W. Curry, K.C., and I will make a motion that he be brought before this Committee.

MR. RIDOUT: Loaned to him.

(The motion was seconded by Mr. McCausland and carried.)

MR. CURRIE: I want another witness here. I want this partner; I move

Mr. Britton be brought before the Committee.

MEMBER: You make your motion cover Mr. Britton and Mr. Strickland.

MR. RIDOUT: He has nothing to do with it.

Q.—He was one of the parties that gave you the note?

A.—No, I never gave Mr. Strickland—

MEMBER: According to the records both Mr. Britton and Mr. Strickland got cheques?

MEMBER: No. There was a cheque to Ridout & Strickland.

MR. RIDOUT: That was deposited in the account.

MR. CURRIE: Mr. Ridout, what is your business?

A.—Insurance and finance.

Q.—You are in the insurance and finance?

A.—Yes.

Q.—You don't run a brokerage office?

A.—No, I don't.

Q.—And you are not a bond broker?

A.—Yes.

Q.—Do you belong to the Bond Brokers' Association?

A.—No, but they recognize me, because I have a letter from them.

Q.—No, but there are some of them in insurance who have you on their list

A.—I have a letter here from a different concern.

Q.—Your business is the insurance business?

A.—I have been in several businesses.

Q.—Were you connected with the Ontario Government Insurance Plan?

A.—I didn't know the Ontario Government had any insurance plan.

Q.—You know Mr. Smith originated a system of getting money into the bank whereby men could also insure their lives, were you not interested in the plan?

A.—Certainly I was interested in that plan.

Q.—Were you working in it? Did you work out the details?

A.—I worked out the details.

Q.—You are really the man who originated that?

A.—No, it originated in the States.

Q.—But you brought it over here and worked it out for Mr. Smith?

A.—No, the Huron & Erie were the first ones.

Q.—You were working for Peter Smith on that insurance?

A.—I was not working for Peter Smith.

Q.—Well, you were assisting him, the Ontario Government. You assisted the Ontario Government?

A.—I told you I was interested in it.

Q.—And that was how you got interested in this loan?

A.—No, no. I have had other loans.

Q.—When did you meet Mr. Smith?

A.—I cannot tell you.

Q.—When did you meet him first? Come on now, tell us all about it?

A.—What has this got to do with this investigation here?

THE CHAIRMAN: I think that is a pertinent question.

MR. CURRIE: I will warrant I will not go over the line one particle. I have examined people before and I will be as kind as possible. When did you meet Mr. Smith?

A.—About two years ago.

Q.—An honest, kind gentleman; when did you propose this loan to him first?

A.—When I saw the Government was trying to put loans like that through all the time.

Q.—You were hanging around trying to see if—

A.—I was, sir.

Q.—And in the meantime you were working up this insurance business and presented it to Mr. Smith and did some work on it?

A.—Yes.

Q.—Your real business is that of an insurance agent, isn't it? Did you suggest to Mr. Smith to start this bank down here?

A.—No, I did not.

Q.—Who did, do you know?

A.—I have no idea.

Q.—But this insurance scheme, which was first to be in the hands of one company—was that your company?

A.—That is my company.

Q.—You cornered that up, and the result was you started the insurance in connection with the public deposits in this bank. How much did you make out of that?

A.—I didn't make anything out of it.

Q.—Didn't get a chance. Some of the other companies got in, too. The other insurance companies got word and they wanted to get in or else stop it?

A.—That is bringing in something different entirely—

Q.—Your transactions with the Treasurer are before this Public Accounts Committee. Didn't you make any commission out of it?

A.—We have not made any commission out of it.

Q.—Did you make any commissions?

A.—Well, commissions were made, naturally.

Q.—How much commissions?

A.—I didn't make personally a five-cent piece.

Q.—Or your firm?

A.—No.

Q.—How much did your firm make on these transactions, on the sales?

A.—Nothing.

Q.—I mean how much were they paid? We can draw fine distinctions. A fellow that can make \$100,000 in three days, we have got to be careful. How many hundred thousand dollars?

A.—Haven't you any check on this thing at all? I object to those questions.

Q.—How much insurance did your Company write up?

A.—How can I tell you how much?

Q.—Through your firm?

A.—What firm?

Q.—Firms that you were connected with in that regard. Now don't start fencing, and tell the truth?

A.—How can I say?

Q.—Well, will you tell us to-morrow?

A.—I will tell you any time.

Q.—Well, you get the information?

A.—No, I object to it.

Q.—Well, I don't care. You have to answer questions here.

A.—I object to those questions because I don't think it has anything to do with—

Q.—We have placed you in close contact with Mr. Smith along the line of loans, now is there any other line that you were connected up with Mr. Smith and the transactions connected with this Government?

A.—There was not.

Q.—Your insurance, your banking, your brokerage? Anything else?

A.—I don't mind telling you there is nothing else, but I object to some of your questions.

Q.—Well, you have answered them pretty well.

MR. HANEY: What was the insurance company that you were acting for when doing business through this Provincial Insurance scheme?

A.—We had seven companies.

Q.—What were they?

A.—There were seven or eight.

Q.—What were they?

A.—I think this is just beyond anything; that has nothing to do with this and I object to answering them.

MR. HANEY: My last question was, what were the insurance companies for which Mr. Ridout was acting when carrying on his transactions with the Provincial bank? I think it is necessary we know those companies.

A.—I object to saying offhand, but I would not mind when it came up and I have all my papers here.

Q.—I want to find out. That is the purpose of my asking you.

THE CHAIRMAN: I suggest there is no objection to giving the names of your companies?

A.—Oh no, but I came here without papers or anything else. It is not fair.

MR. HANEY: I just want to know the names of these companies.

A.—Standard Life, London Scottish, Crown, Excelsior, Commonwealth, and Continental. There are six. There must be another one. I don't remember it.

Q.—Give us the name of the other?

A.—I cannot remember, but I think that is all. I thought there were seven, but I cannot think of the name of another.

MR. PRICE: On your account in the Royal Bank on Church Street Branch there is a great portion of that no doubt that is private. But there was a note there for \$7,000 which was renewed. How old was the note?

A.—That was a different amount, at different times.

Q.—How long had it been standing?

A.—Oh, I cannot tell you.

Q.—Since May?

A.—Oh, standing before May.

Q.—Since May, 1923. It was renewed October, 1923. How long had it been standing as a demand note?

A.—Since May. Well, it was a demand note before then, but for a larger amount.

Q.—Well, May was the time you put through this deal?

A.—Yes.

Q.—And this was an outstanding demand note since May?

A.—Well, that was long before that.

Q.—Well, was it an outstanding demand note since May?

A.—\$7,000 since May.

Q.—In May you gave them a demand note for \$7,000 and you retired it in October?

A.—Part of it. No, that other one was not retired in October.

Q.—The \$7,000 was retired in October by a renewal note. Is that right?

A.—Yes.

Q.—Well, now how was it if you had so much money here that you are renewing a note of \$7,000?

A.—I don't think that is a fair question. It was on stock, and I made a much larger loan—

Q.—But a man who has \$100,000 would not be renewing?

A.—Well, you paid out all your cash and everything, where would you be?

Q.—That is what we have shown, that you paid out pretty well all your cash over a short period. Now on that note of the 9th of May for \$5,050—

A.—\$5,000.

Q.—One on the 8th of May for \$5,000. I see on the back of that that is made out to Douglas K. Ridout, \$5,050, dated May 9th, and you apparently went to the bank and drew that out in cash?

A.—Is that the 9th or 10th?

Q.—And you got fifty-one \$100 bills, two \$20's, one \$5, and two \$2 bills, making \$4, and, with the dollar stamp, making altogether \$5,050. Now why did you take that out in cash? Why did you take it out in cash in the bills, from the bank?

A.—That is the 9th?

Q.—That is \$5,050?

A.—Because I gave it to my partner and I did not want—we were on the guarantee of the bank and I did not want them to know everything.

Q.—You mean to say you could not hand that to your partner in any other way but getting cash? Couldn't you make a transfer by cheque?

A.—I suppose I could.

Q.—It looks very peculiar?

MR. CURRIE: What date is that cheque?

MR. PRICE: Ninth of May, and the teller has marked on the back the denominations of the bills.

Q.—Now there is this other one, on the 10th of May, a day after you drew another \$5,000 out?

A.—Yes.

Q.—And that was drawn to cash. This was drawn to D. K. Ridout and cash in bills. On the 10th you drew \$5,000 to cash and you got fifty \$100 bills?

A.—That is right.

Q.—And you got that when you went to the teller, and you took it away?

A.—Yes. Made that \$3,000 loan, and the other—

Q.—You thought Curry wanted \$5,000 and he only wanted \$3,000?

A.—Yes. And I went to New York that afternoon.

Q.—You say you paid \$1,400 to Cassels, Brock & Kelly?

A.—Yes.

Q.—And that was on the 21st?

A.—That was when I came back.

Q.—So you carried that around in your pocket, \$2,000, for eleven days?

A.—I didn't have it in my pocket eleven days. I put it in the safe.

Q.—What was the object in drawing it in cash?

A.—I thought I was going to use the whole \$5,000. I did not take the trouble to redeposit because it was late. I did not go up to Curry's until four o'clock.

Q.—Where did you redeposit?

A.—I put it in the West Chester Biltmore, in their box in Rye, and when I came back I handed \$1,400 back to my solicitor and the balance I paid out in cash there on different things in New York.

MR. CURRIE: Is that American money?

A.—No, Canadian money.

Q.—Do you mean to tell me you took \$5,000 in Canadian money to New York?

A.—No, \$2,000. I brought it back. I paid my account in the West Chester Biltmore, whatever I spent, and brought the balance back and gave the balance to my solicitor.

Q.—On June 22nd you took out of savings \$4,921 and gave that to your partner?

A.—Yes, that was paid back.

Q.—On July 27th you drew \$4,925 and it went to your partner?

A.—Those both were paid.

MR. CURRIE: Yes, well, those went to your partner. We just want to make sure. In addition to that there was \$7,500 went to your partner. You have cleared up these five transactions. You bought about \$20,000 of bearer bonds. You could hand these around to anybody and nobody would know where they were?

A.—You could, certainly, but I think my banker could clear that up.

Q.—Never mind about your banker. I am asking you the fact?

A.—Yes.

Q.—\$20,000 worth of these bonds that you bought from L. C. Owen & Co. You didn't give us the date when you sold those?

A.—No, I have a memo here to get the date.

Q.—Can you tell us about the time you sold those?

A.—I should think within the last two months.

Q.—Since this House was in session?

A.—No. I would not be positive about that.

Q.—About the time it got in session?

A.—About that time.

Q.—You have not got the bonds at the present time?

A.—No, I haven't.

Q.—You sold them? Where is the money?

A.—It went to the Bank of Montreal.

Q.—It is not in here any place I can see?

A.—The statement does not run late enough for that.

Q.—What you have to do is bring us the Bank of Montreal account showing where you put that \$20,000 back?

A.—I can do that easily.

MR. HANEY: When was it first announced that there would be investigation of this particular matter?

MR. PRICE: I think about a month ago I spoke in the House.

MR. CURRIE: The Budget speech.

MEMBER: I see on one of these cheques—Is James W. Curry and James Walter Curry the same person?

THE CHAIRMAN: The note he gave me to-day is signed James W. Curry.

A.—Well, that is the way he signs his name. That one I got, \$500, is repaid. I can show you that.

MR. PRICE: Then you are also to get us, there is \$4,500 of cheques, Ridout & Strickland, you are to show the Committee that those were bona fide cheques. I mean that they did not go in there and were drawn out to cheque?

A.—Cannot I have some rights? Cannot you appoint somebody to look at these books.

MR. PRICE: Well, Mr. Currie said a little while ago that I looked over Mr. Ridout's cheques, and I picked out those that seemed to be suspicious. The others are fairly small cheques, spent for instance on buying a house—

MR. DOHERTY: Isn't "suspicious" a wrong word for you to use? I am not protecting Ridout, but—

MR. PRICE: Suppose we say "open to question." So I have looked through all these cheques. I am sure any member of the Committee that wants to look, Mr. Ridout will let him. But where they are personal, I am sure we don't want to look at them.

A.—Cannot we have somebody look at this Ridout & Strickland business? don't want to bring this out.

Q.—Suppose I ask somebody in the Department?

MR. LANG: Why would not a special committee, a small committee that could satisfy this Committee, be appointed, Colonel, and go over that and pass on them—any size of committee that will satisfy this whole Committee. We don't want to go into matters that don't belong to this, but go into the matters that we want to be satisfied on, if Colonel Price doesn't want to.

MR. CURRIE: No, everybody is entitled to look.

MR. RIDOUT: No, that is absolutely private business.

THE CHAIRMAN: In connection with these cheques, is it the wish of the Committee that these cheques, which Mr. Ridout has produced on the order

of the Committee, made some time ago, be held in the custody of the Treasury Department for investigation by members of the Committee?

(Carried.)

Q.—You have no objection to that, because these are produced on the orders of this Committee?

A.—I think I should get some legal advice on the thing.

MR. PRICE: Well, I would suggest probably Mr. Ridout would leave his cheques, whatever he has, in my hands. I would let any members look at them.

A.—Yes, that would be all right. I would not mind that.

Q.—Is that all right?

A.—Absolutely.

Mr. A. B. Patterson called; sworn; examined by Mr. Price.

Q.—Mr. Patterson, do you remember the account of Mr. Douglas K. Ridout?

A.—Yes.

Q.—That you have produced here?

A.—I do.

Q.—Or rather that Mr. Ridout has produced?

A.—Yes.

Q.—Would you look over that and see if it contains all the entries in that account?

A.—It does, yes.

Q.—Just look over and see? The July entries seem to be missing.

A.—I think we were only asked for April, May and June.

Q.—Well, did you produce October, and then you quit at October?

A.—Well, that was in the savings bank.

Q.—No?

A.—Well, he produced these himself.

Q.—Yes, but I want to know—you were asked to produce the full account?

A.—Well, this would be apparently the full account—April, May, June
It would appear that part of July is missing—evidently there is a page missing

Q.—Have you got a complete record of that account in your books?

A.—We have.

Q.—Well, where do these leaves come from, from your bank?

A.—Yes.

Q.—Made out by your bank?

A.—Yes.

Q.—Well, why should not we have the complete account?

A.—Well, you can have it if you want it.

Q.—Mr. Ridout, have you the missing sheet out of this?

A.—No, I have no sheet at all.

Q.—I just want to get this. You can easily produce the full account?

A.—We can.

Q.—From your records?

A.—Yes.

Q.—I think probably the next time the Committee meets, if you produce the full account?

A.—That is very easily done.

Q.—From April until—we want to see that \$20,000 that is deposited there, those bonds?

A.—That would be April to, say, the 28th of February, 1924.

MR. CURRIE: First of March?

A.—First of March.

Q.—If you will produce that next session, I think we can go into it then. We will excuse you to-night.

The Committee then adjourned until Wednesday morning, March 19th, at 10 a.m.

PUBLIC ACCOUNTS COMMITTEE

The Committee met Wednesday, March 19th, at 10 A.M., with Mr. Finlayson in the chair.

Mr. Patterson recalled; Hon. W. H. Price, K.C., examining.

Q.—Mr. Patterson, you are the Manager of the Bank of Montreal, King and Yonge Streets?

A.—I am.

Q.—And at the last meeting you were asked to produce a complete copy of Mr. Ridout's account? Have you got that copy?

A.—I have.

Q.—With a record of your books as they stand?

A.—It is.

Q.—Mr. Patterson produces the account of Douglas K. Ridout, Union Bank Building, commencing April 5th, 1923, and ending February 29th, 1924. Did you find that there was a July statement missing?

A.—Yes, I supplied that.

Q.—Exhibit 20 includes nine sheets, of what do you call those sheets?

A.—That is deposit ledger sheets.

Q.—Are these the original sheets?

A.—Part of them are the originals. Mr. Ridout gets the originals. At least he gets a copy of the originals.

Q.—He gets a copy of what is on your book?

A.—Yes.

Q.—Every month?

A.—Yes.

Q.—And what you have produced here is a copy?

A.—It is part of the sheets that he got and the ones that you asked me to supply.

Q.—Giving us a complete record of his account as it stands on your books?

A.—It does.

Q.—For the period April 5th to February 29th?

A.—February, 1924.

Q.—Do you remember when this account was started? Do you remember it itself?

A.—I think I do, yes.

Q.—Did Mr. Ridout speak to you about it himself?

A.—Yes.

Q.—It was opened, I see, on April 5th, 1923?

A.—Yes, I think it was opened then.

Q.—Did he have an account in your bank before that?

A.—I cannot say positively. I think that was the start of the account.

Q.—You also produce, Mr. Patterson, the savings account of Mr. Ridout, savings pass account being No. 5781, marked as Exhibit 21. I see that this savings account was opened, on what date is that?

A.—January 13th, 1923. I think it is January. But that was not the original opening. It is transferred from another account.

Q.—Oh, I see. That was brought forward from another account?

A.—Yes.

Q.—He had a savings account there for some time before that?

A.—For some time, yes.

Q.—Then, when you look at this savings account, there does not appear to be anything but January items, and then it goes to July, how is that?

A.—That is purely a mistake. This one here—

Q.—But that was written up afterwards?

A.—Yes, April 26th. You see there was no deposit from January 16th until April 26th, when he deposited \$50,232.14 in the savings.

Q.—That was the first deposit, then?

A.—\$52,232.14.

Q.—Were these deposited in two separate cheques or did they all come from the Bank of Montreal, what street?

A.—Came from the Bank of Montreal.

Q.—Why would they be in two separate amounts?

A.—I don't know as to that. I cannot say positively. But anyway the total credit of \$52,232.14 went into his savings bank account and he subsequently did not want it all together there and \$10,232.14 was transferred from the savings into the current.

Q.—And in his current account, in addition to the \$10,232.14 transferred from savings he deposited \$50,070.62?

A.—Yes, on the 2nd of May.

Q.—Making altogether something over \$60,000 that went into current?

A.—That went into current, and \$40,000—

Q.—And \$40,000 in his trust account?

A.—Into his savings account, yes.

Q.—That is how he divided the \$100,000 he got?

A.—Yes.

Q.—Do you remember when Mr. Ridout brought in this money to deposit?

A.—Well, he actually did not bring it in. It just came in the way of a transfer.

Q.—Did you have a talk to him about the time you got the money credit in your branch?

A.—Nothing special.

Q.—Do you remember any of the withdrawals? Did you note any particular withdrawals?

A.—Nothing specially.

Q.—What about the cash withdrawals of \$10,000 on the 9th and 10th of May—two \$5,000 cheques?

A.—Well, I don't know anything about that.

Q.—You were not up at the teller's cage?

A.—I would not be at the teller's cage.

Q.—Just let me understand one thing. The July entries were missing.

when Mr. Ridout brought these to the attention of the Committee. Had Mr. Ridout been given a copy of the July entries?

A.—As far as I know, yes.

Q.—So that he had all the information of his account?

A.—Apparently so, yes. There was nothing left out.

Douglas K. Ridout recalled; already sworn.

THE CHAIRMAN: You are already sworn.

MR. PRICE: Mr. Ridout, when you were before the Committee on Monday night you had produced the cheques comprising your account?

A.—Yes.

Q.—And those cheques were referred to; they were not put in before the Committee. I am going to take these in groups and put them in before the Committee, so that there are several motions that others want to examine you on and I have arranged them in parcels here so they can be easily identified? Mr. Ridout, I am first making—follow these with me and we can get them in shortly.

I am first putting in as Exhibit 22, produced by Mr. Ridout, the following cheques:

To cash, April 21st, \$100; April 24th, \$100; April 25th, \$107.15; April 25th, \$200; April 30th, \$200; May 1st, \$300; May 1st, \$87.05; May 1st, \$100; May 10th, \$200; May 29th, \$200; June 1st, \$50; June 8th, \$75; June 18th, \$50; June 19th, \$150; June 25th, \$195; June 26th, \$150.

I am putting those in as enumerated.

Exhibit 23, comprising the cheques of Ridout, Strickland, Limited—April 30th, \$2,500; May 5th, \$2,000; September 13th, 1924, \$3,000, making altogether \$7,500, Ridout and Strickland.

Exhibit 24—These are the cheques, Exhibit 24—May 7th, to cash, or to Mr. Ridout himself, May 7th, Douglas K. Ridout, \$5,000; May 9th, Douglas K. Ridout, \$5,050; May 10th, to cash, \$5,000; October 15th, cash, \$1,000, and with that a further cheque to J. W. Curry, \$500, which I put in with that exhibit.

Exhibit 25—comprising cheque to L. C. Owen for bonds, May 28th, L. C. Owen, \$10,340.60; October 15th, 1923, L. C. Owen, \$9,862.50.

Exhibit 26—comprising the cheques to Arthur H. Britton and the Savings Insurance Agency; June 26th, Arthur H. Britton, \$4,921; July 27th, the Savings Insurance Agency, Limited, \$4,925; October 31st, Arthur H. Britton, \$7,500.

Exhibit 27—comprising the cheques to Mara & McCarthy, September 14th, \$3,000; September 21st, \$10,000; October 18th, \$1,000; November 21st, \$2,000; November 6th, \$1,632; November 6th, \$2,186.

Mr. Chairman and Gentlemen, there are two cheques here which Mr. Ridout says he paid for a house, one he paid off a mortgage and the other a house. One is \$9,559.30 and the other \$8,500. I would suggest probably that if he shows that these cheques went for that purpose we don't want to look into that. I will leave them here on the table, without putting them in, so that he can give us further information.

Then Exhibit 28—August 9th, W. G. Mitchell, \$2,500; August 9th, Smith, Rae and Greer, \$2,000. And also Mrs. E. Levins, \$3,500, a mortgage. I do not anticipate that any of these in this last exhibit—

Exhibit 29—comprising transfers from one account to the other, or credits, on April 20th, from Ridout to Ridout and Strickland, \$1,000; and April 27th,

transfer from the savings account to his general account, of \$10,232.14. May 1st, debit slip for interest paid to the Royal Bank \$184.87.

Also, Mr. Ridout, you produced at the last session of the Committee a note dated May 10th, 1923:

For \$3,000, on demand after date I promise to pay to the order of D. K. Ridout \$3,000, at the Imperial Bank, Toronto office, interest 7 per cent.,
(Sgd.) James W. Curry.

THE CHAIRMAN: Exhibit 30 is the note.

MR. PRICE: Also a receipt, Cassels, Brock and Kelley, to D. K. Ridout, on 21st of May, 1923, for \$1,400. That was in payment of a judgment.

THE CHAIRMAN: The receipt is No. 31.

MR. PRICE: And Exhibit 32, not for \$5,000, dated Toronto, May 9th, 1923:

On demand after date I promise to pay to the order of D. K. Ridout \$5,000 at his office, Union Bank Building, Toronto, for value received, at the rate of 8 per cent. per annum.

A. H. Britton.

These two notes that you produce were given on Monday last.

THE CHAIRMAN: Note for \$5,000 is Exhibit 32.

MR. PRICE: Mr. Ridout, in producing the ledger sheets of your general account, how was it you happened to miss your July ledger sheets?

A.—I thought you had them, Col. Price, the July sheets. I was surprised with Mr. Patterson's evidence the other night that it was missing.

Q.—Have you produced all the July cheques?

A.—All the July cheques.

Q.—The total cheques are there?

A.—The total cheques are there. I thought Col. Price had these; I was surprised to find he did not.

MR. LEWIS: A couple of matters I would like to ask questions of you about. In the first place when you received this credit of \$100,000 to your credit in the Bank of Montreal, you placed the first \$10,000 in your savings and \$50,000 to your current?

A.—That is right.

Q.—And then you transferred \$10,000 from your savings to current later?

A.—Yes.

Q.—That, perhaps, might have some significance, as if there was a 50-60 division, and perhaps you were looking on that \$40,000 as your share of the profits?

A.—I owed a lot of money and wanted to get my things cleaned up and there was no use putting it into savings.

Q.—So you put the money you expected to dispose of soon in current?

A.—In the current.

Q.—And as a matter of fact you did dispose of it in a very short time?

A.—Almost immediately.

Q.—Some of it by these loans and some of it by purchasing bonds?

A.—The purchasing of bonds came in, I think, part of the savings, October, I am not quite sure.

Q.—Then, in connection with the bonds, these bearer bonds you purchased there, were approximately \$20,000 of bonds purchased through Owen?

A.—L. C. Owen, yes.

Q.—And your evidence the other evening was you had since, during the present year, probably within the last thirty or forty days, disposed of \$15,000 of these?

A.—Yes, the exact date was February 5th.

Q.—You sold these to Mara & McCarthy?

A.—Mara & McCarthy sold them for me.

Q.—They sold them for you?

A.—Haven't you an exhibit there?

THE CHAIRMAN: That will be Exhibit 33.

MR. LEWIS: And these are the numbers of the bonds.

A.—Here is the numbers of the original bonds; here is a memo of L. C. Owen—

MR. LEWIS: And this statement from Mara & McCarthy, was this supplied to you at the time?

A.—No, I got it yesterday. I got a cheque yesterday. I would like to have that cheque back because it does not belong to me.

Q.—This is the cheque which you received at that time?

A.—Yes, I got it from them yesterday.

Q.—Cancelled cheque! And the statement that you put in, giving numbers of the bonds—

A.—Bonds and everything.

Q.—That was prepared yesterday?

A.—Prepared yesterday. I want to say that was deposited in the Bank of Montreal, the cheque, that was all I brought it up for.

Q.—And the statement was prepared yesterday, showing the numbers of the bonds. I want to bring to your attention certain sums of money, cheques, given by you to Messrs. Mara & McCarthy in September and October of last year.

September 14th, cheque for \$3,000; September 21st, \$1,000; on October 18th, cheque for \$1,000, on November 21st, cheque for \$2,000; and then November 6th, two more cheques of \$1,632 and \$2,186, respectively, coming altogether to approximately \$10,000 in cheques which you paid to Messrs. Mara & McCarthy during September, October and November of 1923?

A.—Yes.

Q.—Was that for the purchase of stock or bonds?

A.—Purchase of stock.

Q.—What was that stock?

A.—Oh, backwards and forwards, I was buying and selling, New York transactions, in a brokers' office—

Q.—This was a fairly large amount?

A.—Oh we were continuously paying money, and I paid them money for purchasing, and selling, all the way through.

Q.—The point I am after is this, that you sold these bearer bonds—

A.—Well, that is nothing.

Q.—Through Mara & McCarthy?

A.—Yes.

Q.—This year?

A.—Yes.

Q.—\$15,000. But there was already a credit you had of \$10,000 that we want to account for?

A.—Well, they paid it back. I will get an exact statement showing the amounts paid back which all went into the Bank of Montreal. We have a statement, I did not bring it up, of the whole transaction, but I never thought of it. We have quite a balance there now and we were backwards and forwards dealing all the time. It might go down and up.

Q.—These are personal dealings?

A.—Absolutely, personal dealings.

Q.—So that \$10,000 was in purchase of stocks and you can furnish us with a statement?

A.—I can let you have a statement any time.

Q.—I will be glad if you will ask him to prepare a statement?

A.—Showing payments?

Q.—Disposal of that \$10,000?

A.—I will be very glad. What months?

Q.—September, October and November, 1923, \$10,000 altogether.

And then you have the \$5,000 of bearer bonds left?

A.—Yes, I have those bonds.

Q.—You have these in your safe deposit?

A.—No, I think these here, I think \$4,000 are up at the Dominion Bank for a loan, I got a loan on them on October 30th for \$3,600.

Q.—You hypothecated them with the Dominion Bank, \$4,000. Head office?

A.—King and Yonge.

Q.—And got a loan on them?

A.—Got a loan.

Q.—For your personal use?

A.—That loan, that \$3,600, may I follow that up, you have a cheque there which I would like put in with this exhibit instead of mixing up the others, for \$1,000, on October 15th, payable to cash.

Q.—That is in one of these cash items?

A.—May I have those taken out and put in one of these exhibits?

MR. LEWIS: Is that the cheque which was originally made out for \$5,000?

A.—Yes.

Q.—And changed on the same cheque to \$1,000?

A.—Yes. That was the day of the run on the Dominion Bank, October 15th, and I opened an account there for that date. Here is the account. I got a copy of that yesterday from them.

Q.—This is another account which you opened, tell us about it?

A.—Yes, I never thought of this one, because it was not a checking account at all. It was transferred to the Bank of Montreal.

Q.—Just to support the Dominion?

A.—Yes, I knew a lot of people, privately, I got a letter thanking me. It was not very much, but—

Q.—What is the significance of this \$1,000 bearer bonds?

A.—Well, you see I sold \$15,000, and kept \$4,000, that is the \$1,000.

Q.—That makes it up.

A.—I don't want to put that in as an exhibit; that is a bearer bond.

Q.—And this is the receipt?

A.—That is the hypothecation with the numbers on.

Q.—Hypothecation of the other \$4,000, so you have those there. You were going to produce for us a statement showing us what assets you have remaining for the \$100,000 profit.

A.—I did not do that.

Q.—You remember on Monday night—

A.—I am sorry. I did not remember that at all. I would be very glad to.

MR. PRICE: Could you tell us now what you have left of the \$100,000. Maybe you could rather help the Committee to come to a conclusion. What have you got for the \$20,000 for instance in the bonds?

A.—The \$1,000 and the balance of that.

Q.—Where is the \$15,000?

A.—The \$15,000 is sold and one item, general account there, that is what I want that cheque for to show you it is deposited on that date. You will find deposited there, February 6th, no, February 5th, \$14,477. You see it went into the Bank of Montreal proceeds there.

MR. LEWIS: During the first few months, you might say few weeks, within two or three months that you had deposited this money in the bank you withdrew very large amounts by cash and cheque and for the purchase of these bonds, and gradually, as it appears from the investigation into your cheques the whole account has been practically wiped out?

A.—Yes, practically.

Q.—You apparently haven't anything left to-day to show for the \$100,000?

A.—Well, I owed a lot of money then.

Q.—This \$60,000 which you deposited to your current account was disposed of almost immediately in rather large sums, by cash. I wanted to ask you in connection with that withdrawal of the \$5,000 on the day you made the loan to Mr. Curry, that was the day you were leaving for New York?

A.—That afternoon.

Q.—Five o'clock?

A.—Yes, five o'clock.

Q.—And Mr. Curry telephoned you that he would like to get a loan. Did he tell you the amount?

A.—I was not sure of the amount. He did not tell me the amount. I thought he wanted \$5,000. I went up there and it was only \$3,000.

Q.—Didn't he tell you how much he wanted?

A.—He said he wanted a loan, and I thought it was \$5,000 over the telephone, and I went up and it was only \$3,000.

Q.—And instead of drawing a cheque you wrote a great many cheques in a couple of months, and this is only a few of them, and on this afternoon, when you were leaving for New York and were busy preparing to go, instead of drawing a cheque for the \$5,000 which you understood him to say he wanted, you went to the bank and cashed a cheque and took the cash up?

A.—Took the cash up.

Q.—Would that be an ordinary method, that you would carry out a transaction like that?

A.—I was anxious to accommodate him.

Q.—Well, don't you think the ordinary thing would be to draw a check to the friend's order, or take it to him?

A.—I suppose that would have.

Q.—What was it prompted you to draw the money in cash, to go to the trouble of going to the bank?

A.—Lots of times we do these things and never think of it—

Q.—Apparently in going through your accounts here there were only two or three occasions in which you did this, went and drew cash from the bank,

and handed the cash over instead of a cheque. You did it in connection with the money you handed your partner, \$5,000, for which you received a note the other day. You went and got the cash?

A.—I was going to draw \$5,000 cash on that other, the 19th of October, and I changed it to a thousand.

Q.—That was another special occasion you were doing that, but here was a case where a man wanted a loan and you were in a hurry going away on the five o'clock train to New York, yet instead of drawing a cheque you went to the trouble of going to the bank, although it was afternoon, and drawing out cash and taking the cash out?

A.—Yes.

Q.—But you haven't any explanation?

A.—No explanation at all.

Q.—And then, of course, this \$5,000 did not include the money you expected to spend on the trip to New York, did it?

A.—No.

Q.—Because you expected to leave the \$5,000 in Toronto?

A.—Yes.

Q.—And then you had \$2,000 extra you took with you?

A.—Took with me?

Q.—Which you deposited?

A.—Yes, in the Biltmore.

Q.—Then you brought back only \$1,400?

A.—Yes.

Q.—Which you turned over to your solicitors?

A.—Yes.

Q.—Along with the cheque of \$1,500, so out of this \$2,000, which you took down with you, in addition to the money with which you had provided yourselves to pay expenses you spent an extra \$600?

A.—I might have had some money in my pocket when I left.

Q.—You did not expect to take any of this \$5,000 away?

A.—I see your point, when I go to New York—

Q.—And you told us just a few minutes ago that you had prepared for your trip?

A.—When I go to New York I always pay by cheque.

Q.—Yes, I have noticed a number of cheques. In this case did you pay by cheque?

A.—No, I paid by cash because I had all that cash and I just paid that.

Q.—Didn't you as a matter of fact give the Biltmore a cheque for hotel?

A.—No, not then, I think it was paid, \$5 or something, I paid them. I was only in the Biltmore, New York, about one day.

Q.—But I mean the West Chester?

A.—No, I gave them cash, absolutely, yes. That particular item could be confirmed.

Q.—Was this a trip you took yourself?

A.—No, with Mrs. Ridout?

Q.—Anybody else?

A.—Nobody else.

Q.—Now this loan you made to Mr. Curry, you gave him the money at his house?

A.—Yes.

Q.—I understand you to say he was ill at the time?

A.—Yes. I see in the paper that he was in bed. He was not in bed.

Q.—Confined to his home?

A.—Yes.

Q.—And you handed him this money, where?

A.—At his house on Madison Avenue.

Q.—And when you got there you had \$5,000 waiting for him, and he said he did not want \$5,000, that he just wanted \$3,000?

A.—Yes.

Q.—That is the reason of the change from \$5,000 to \$3,000?

A.—That is the reason.

Q.—You did not make up your mind on the way up that you would not give him \$5,000 but \$3,000?

A.—No, I just asked what he wanted and gave it to him.

Q.—Any suggestion as to what it was wanted for?

A.—None at all. I didn't ask him.

Q.—You didn't ask him what it was to be used for?

A.—No.

Q.—Did you during the conversation talk the elections over?

A.—Not a bit at all. We hadn't time. I was only there about five minutes. I was in a hurry to get home to get my bags.

Q.—And you went right home?

A.—Yes. Got the train for New York.

Q.—And it was after you went up there he notified you you were mistaken, he didn't want \$5,000?

A.—I asked him when I went up there how much he would want, he said \$3,000, and I gave it to him.

Q.—So you counted out \$3,000 and kept the balance?

A.—Yes.

Q.—This was purely a friendly loan?

A.—Absolutely.

Q.—Had there been before occasions when similar transactions had occurred between you? I am not asking details of them.

A.—No, nothing at all. I hadn't any money before.

Q.—Well, had you ever borrowed any money from Mr. Curry?

A.—Never.

Q.—What was the reason that Mr. Curry would think it natural if he called you up and said he would like to get a loan of \$3,000 or \$5,000 that you would give it to him?

A.—Well, I told him previously, I said, he knew I made this money, and said if any time he wanted a loan would I let him have it. I said yes.

Q.—How did he know?

A.—It was general gossip.

Q.—Well, I was in the House at the time and I didn't know?

A.—Well, all my personal friends knew it.

Q.—I fancy there was a good few members who did not know this profit had been made. As a matter of fact was it public knowledge you had made this \$100,000?

A.—No, not public knowledge.

Q.—It was known perhaps to a few?

A.—Personal friends.

Q.—Who were associated either with yourself personally or with the Treasurer.

A.—Yes.

MR. DOHERTY: You had told people yourself?

A.—Yes, I had told people myself, naturally.

MR. LEWIS: And Mr. Curry was one of those whom you told, or was it through his connection with the Government?

A.—No, through me. I see Mr. Curry nearly every day at the club.

MR. PRICE: I see in looking over your bank account, the sheets you produce, additional sheets produced by the bank, that on November 23rd, there are two cheques—there are several cheques here I would like you to produce, November 23rd, \$1,000; and the same day, \$2,000; December 13th, \$5,000?

A.—I have it here. I found that in my file under the item.

Q.—Mr. Ridout produces cheque dated December 10th, Savings Insurance Agency, Limited, for \$5,000; Exhibit 34: and December 13th, \$1,800. Now then I see January 3rd, 1924, you drew a cheque for \$14,000, what was that \$14,000 Cheque for \$14,000 on January 3rd? Well, will you take a note of that and produce that? Can you tell us what that was?

A.—Yes.

Q.—What was it?

A.—I cannot tell you now.

Q.—That is a big cheque. Then on February 5th, that is the day the House opened, isn't it?

A.—Is it?

Q.—You drew a cheque for \$14,000. That is two \$14,000 cheques?

A.—That was, I think, the cross entry is in connection with a loan to the Bank of Montreal, that loan to the Bank of Montreal on these notes; Mr. Patterson could tell you about that. I borrowed against them and that became due on January 3rd. It was a note on the Bank of Montreal against these securities. They charged one up to me for \$14,000.

Q.—On January 3rd?

A.—The note came due, I remember, the note came due the 1st of January, 1923.

Q.—You had these bonds deposited with the Bank of Montreal?

A.—Yes.

Q.—And you got a loan then for \$14,000, that note was discounted at the bank, and you drew a cheque for the \$14,000?

A.—Discounted in November.

Q.—No, this was January 3rd.

A.—The first discount I think was in the month of November; it came due January 3rd, the first time I renewed for one month to February 5th. You see it just brings it to February 6th.

Q.—Let us stick to January 3rd. You had the bonds at the bank and you got a note, a loan, of—

A.—\$14,000.

Q.—You discounted the note and you are credited with \$13,988.70—

A.—And paid off another loan of the same amount on that date to the Bank of Montreal. I can get that.

Q.—Then that note was renewed?

A.—Until February 6th.

Q.—For a month, apparently?

A.—Yes. And I paid it off February 5th, I sold the bonds and paid the note off.

Q.—On February 5th you were credited in the bank for \$15,472.04 and you drew a cheque for \$14,000.

A.—Well, then he paid the loan off.

Q.—So you got credit for that \$15,472.04 in the bank at that time. Now you have accounted for \$15,000 of those bonds?

A.—I have accounted for \$20,000.

Q.—What happened to the \$10,000 of securities that you apparently got from Mara & McCarthy?

A.—Well, that was backwards and forwards. I can get a statement.

Q.—They are all cheques going in.

A.—But cheques came out and went in the same way. I can get a statement from Mara and you can check it back on the statement you got; deposited back.

MR. DOHERTY: Trading all the time?

A.—Just backwards and forwards.

MR. PRICE: Now, Mr. Ridout, just recapitulate what you did with this \$100,000 and see if it is about right. On the big amounts you paid out \$7,500 to Ridout and Strickland and in cash transactions \$12,500. Those are the exhibits you have.

On cash transactions you drew two \$5,000 cheques and \$1,000 and small cheques, July, \$12,500. On bond purchased from Owen, \$20,203; that is right?

A.—That is right.

And to Arthur H. Britton and to Insurance Savings Agency, \$17,346.

A.—No, there is another \$5,000.

MEMBER: That makes \$22,000?

A.—Yes.

MR. PRICE: And then to Mara & McCarthy, you gave cheques to the extent of \$10,880.

And these are the large items which you have, which run altogether, I have computed them, up around \$95,000? Those include the transactions with Britton and the transactions with Curry, and the money that goes to your firm, Ridout & Strickland?

A.—It includes everything, my account in the Bank of Montreal.

Q.—Well, you were to produce, I think the Committee would like to know, having deposited \$7,500 in Ridout & Strickland, of which you are a partner, just what was drawn out to cash there?

A.—Nothing at all. Nothing was drawn out for cash for myself at all.

Q.—Is Mr. Strickland here to-day?

A.—Yes. If you want an auditor, any auditor you want—

Q.—Well, we will appoint somebody.

A.—Yes, I would be very glad to have an auditor.

MR. CURRIE: You are a partner of Ridout & Strickland?

A.—Yes, shareholder.

Q.—You are a shareholder?

A.—Yes.

Q.—Shareholder partners?

A.—Shareholders, limited company.

Q.—Who are the officers?

A.—Well, Mr. Strickland, I am president and Mr. Strickland, vice-president, and we have a man in the office secretary-treasurer.

Q.—Who else on the board of directors?

A.—Just ourselves and three other clerks, that is all.

Q.—What are their names?

A.—Well, is that—

Q.—Oh yes, we want to know.

A.—I don't mind telling you, no, there is nobody on there outside of ourselves. There is nobody else.

Q.—Ridout, Strickland, Sproule, Graham, and who is the other?

A.—There is no other. Only four directors.

Q.—Mr. Strickland will be here and will be able to account for these moneys that have been checked into that account?

A.—Yes.

Q.—Has he brought the cheques and all with him, I suppose?

A.—I don't think he has. He was not asked for them.

Q.—Coming down to Britton, what is your relations with Britton?

A.—Oh, several transactions together.

Q.—The other night you made the definite statement that he was your partner?

A.—The words were put in my mouth. I mean he is not a partner, but just the same as if having a deal with anybody, partner in that particular deal, not a partner in anything else.

Q.—Articles of partnership?

A.—No.

Q.—Well, you would think as a business man when transacting as much as \$17,000 with this man, you cheque out to him, and some in cash, that there would be some agreement between you, as two business men? Was there any agreement?

A.—Do you go into details—

Q.—Answer the question.

A.—No, there is no partnership agreement at all.

Q.—There was none?

A.—No.

Q.—Then who is Mr. A. H. Britton?

A.—He is a lawyer.

Q.—Was he acting for you as solicitor?

A.—No.

Q.—Well, what deals were you in that you had, explain to the Committee.

A.—I object to answering that question. I am not going to answer that.

Q.—Well, Mr. Chairman, we have means of making you answer?

A.—I will leave it to the chairman.

Q.—Well, you cannot leave it to the chairman. The Committee rules on question of this kind.

THE CHAIRMAN: You may as well realize this, that as you say you were handed over very large sums before and you got \$100,000 very rapidly and easily. Now for your own sake I should think it would be in your interests to give Col. Currie and any other member any reasonable information they want.

A.—I don't object at all.

Q.—Well, give it.

A.—Well the only other matter we are in at the present time I think is the Savings Insurance thing.

MR. CURRIE: He is a lawyer. Is he here to-day?

A.—He is here to-day.

Exhibit 26.

Q.—There is a cheque here for \$4,921 and \$4,925, and \$7,000; now you give those cheques to Britton, what did you receive for those cheques, you got a note for same, didn't you?

A.—I got a note.

Q.—This note for \$5,000?

A.—These others are loans all paid off except that \$5,000.

Q.—The others are all paid off except \$5,000. Do you show back in your credit with the bank?

A.—Yes, I should think.

Q.—Did they show on the sheet? I didn't examine the sheet?

A.—I cannot tell you offhand.

Q.—Well, surely you can show \$4,921?

A.—It was paid off with one of these deposits probably. I would be very glad to give you the exact details that were paid off if you will give me time to look them up. I haven't them here.

Q.—What time were they paid off?

A.—I cannot tell you that.

Q.—Did he give a note or anything for that loan?

A.—I don't remember, he probably did.

Q.—Now you will have to get closer down to particulars than perhaps he did. So you don't want to give the Committee any particulars. What deal was between you and Mr. Strickland?

A.—I would be glad to give the Committee all the particulars.

Q.—Well, open up and tell us what these deals were.

A.—I cannot do it offhand. You will have to give me time to get my data. If I knew—

Q.—You knew the other night you were going to be questioned on all this. The Committee passed a resolution the other night that these gentlemen were to be here to be examined. You must be prepared to answer questions as to what happened. Here is a large sum that all happened to be checked out around June and July, when the elections were on. We want to know what happened to that money?

A.—At the time this went out—

Q.—There was the item \$7,500 in October, but there was an item June 29th, \$4,921, and another in July 27th, \$4,925?

A.—That \$5,000 was paid off out of a mortgage which I arranged for Mr. Britton, forty-nine hundred and something which I got for Mr. Britton.

Q.—Which one, the \$7,500 one?

A.—No, the \$7,500, that is an October item.

Q.—Is Mr. Britton a son-in-law of the late Judge Britton?

A.—Yes.

Q.—Left a very large legacy?

A.—Well, he is here, he can tell you more about his affairs than I could.

Q.—I am curious about you doling large sums of money around election time. I see one of these cheques is endorsed by the Savings Insurance Agency. What is the Savings Agency?

A.—A savings insurance agency.

Q.—Yes?

A.—It is an insurance, you know—

Q.—I don't know anything about it. I am going to ask you about it?

A.—Yes. We solicit deposits in connection with the Ontario Government Savings Office.

Q.—When was it organized?

A.—Two years, about.

Q.—Can you remember about the date?

A.—No, I don't know.

Q.—I notice you issued some cheques into that concern here. Here is one for \$5,000, December 10th, you checked into that?

A.—Those are loans.

Q.—Who are the officers of that company?

A.—A. H. Britton is the president; I am the vice-president, Douglas K.

Ridout.

Q.—Who else are officers of this company?

A.—At that time Edward Irving was a director, and I cannot tell you the others, two men in the office, I think.

Q.—Beg pardon?

A.—A man named J. J. Buchanan, and, I think we only have three directors. These were the officers of the company.

Q.—What was the capitalization?

A.—Issued for a million dollars.

Q.—How much paid up?

A.—Well, the whole thing paid up.

Q.—Who put up the money?

A.—It was not put up in cash?

Q.—Paid up in water?

A.—Yes, paid up in water.

Q.—What contract did you have with the Government?

A.—I think this is entirely foreign to the whole thing. You are looking over my cheques and this has nothing to do with it.

Q.—We are going to find who this company is that is doing business with the Government.

A.—Well the partners are officers in the company and I object to going on further.

Q.—You are objecting to go on further with this, well we will have to try and move you. How much business did you do with the Government?

A.—We didn't do any business with the Government, just solicited deposits for them.

Q.—The other evening you stated you had gone into the question with Mr. Peter Smith, you organized the insurance company that was going to insure depositors?

A.—Excuse me, I never organized any insurance company?

Q.—Well, agency, what is the difference?

A.—An insurance company writes the business themselves. An agency places the business with other companies.

Q.—What is the commission of an agency of this kind?

A.—I am not going to answer these questions.

Q.—What commission were you getting for this company?

A.—I am not going to answer.

Q.—That company did business with this Government, solicited business for the Government, deposits and so forth?

A.—Solicited deposits, yes.

Q.—How much business did you write up?

A.—May I appeal to the chair, because I don't think—

THE CHAIRMAN: You can certainly appeal to the chair, but my view, whether the Committee support me, is that you have told us frankly that you were very heavily indebted and you made \$100,000 out of this Government very rapidly and I think it is up to you to explain it fully and any question that is at all connected strikes me as relevant.

MR. DOHERTY: This investigation is being held into two items in the Public Accounts, and if any witness wants to say any transactions have nothing to do with that he is not required to say any more unless you bring evidence to show that there is.

MR. CURRIE: Well, there is a cheque involved in this, made out to the Provincial Insurance Agency, Limited, dated December 10th, 1923, I am asking him what that concern is and he has told me and he said over again that there were transactions between this concern and the Government in the insurance matter. Now I have opened up a very wide field for investigation and if you want to appeal to the Committee I will ask the Committee to say whether I can go on. It is not necessary to open up any fresh investigation along this line, if it is we will have this done in the House.

MEMBER: I think you made a motion.

MR. CURRIE: Well, here is the evidence here in my hand, and I am asking him about this company. He says he is the vice-president. We find he has given to this company large sums of money out of his account?

A.—Loaned it.

Q.—Did you take their notes for this?

A.—Yes.

Q.—Have you the notes?

A.—I haven't the ones paid off.

Q.—Well, you certainly gave this company a large amount of money. I want you to fortify yourself and we are going to call you again, and bring the whole statements and relate how much commission you made out of the insurance you wrote up for the Government, and whether that company was checking out any of these thousand dollar or hundred dollar bills that were flying around about election time. That is what we want to know particularly. You understand, Mr. Ridout?

A.—I understand. I get your drift.

Q.—Well, the sooner you realize that and clear the whole thing up, to have the thing straight, and have the accounts; we will pass them in Monday. Referring back now, were any parties connected with the late Government interested in the Savings Insurance?

A.—They were not.

Q.—Was Peter Smith a partner?

A.—No, he was not.

Q.—Nobody else?

A.—Nobody else.

Q.—You formulated the idea that you would form an underwriting company,

not an insurance company—an underwriting company is a company that participates in the insurance as far as the commission is concerned?

A.—That is right.

Q.—It does not insure?

A.—It does not insure.

Q.—But for other companies?

A.—Yes.

Q.—This company insured for other companies, this company insured for seven companies, do you remember what the seventh was?

A.—No, only six companies.

Q.—Now, I happen to know there were seven. Was any of the late Ministers interested in these companies?

A.—I have no idea at all.

Q.—You answer that yes or no?

A.—No, not that I know of.

Q.—I have come to the conclusion that some of the directors of these companies were members of this late Government. Was Mr. Biggs a director of one of the companies you had on this line?

A.—I don't know. Mr. Biggs could tell you. We don't go into the directors of the company.

Q.—I am asking you?

A.—Not that I know of. You could look that information up.

Q.—What is that seventh company?

A.—I cannot tell you. I could give it to you.

Q.—Go ahead and write out the names?

A.—I gave it to you the other night.

Q.—Here is the Standard Life. Is any member of the late Government interested in the Standard Life?

A.—No.

Q.—London and Scottish? Anybody there? They are all Scotchmen?

A.—Not that I know of.

Q.—Well, to be sure, don't you know that there were some of the members of the late Government at that time directors of these companies?

A.—I don't know the directors of the companies. We don't deal with the directors. We deal absolutely with the manager.

Q.—But it happens the directors manage the company, that is all.

A.—When you negotiate anything you don't deal with the directors.

Q.—I am told Mr. Biggs was a director of one of these companies?

A.—Which one?

MR. BIGGS: Ask Price, he knows. I want to say that Mr. Price and I were both directors of the Commonwealth Life at that time.

MR. CURRIE: I don't know! But Mr. Price was not a minister of the Crown.

MR. PRICE: As soon as I joined the Government I resigned from the position of director.

MR. BIGGS: I was relieved by the Government being defeated.

MEMBER: Are you still a director?

MR. BIGGS: I am and proud of it.

MR. CURRIE: Well, you might have some more information then about this insurance agency. Next time we have you on the stand we want to know how much money you put in and how much you took out.

Q.—Were any of Mr. Doherty's insurance companies interested in this?

A.—Mr. Doherty didn't go into the insurance business until after he was defeated.

Q.—You wrote up insurance for this company and distributed it amongst these companies that you give here. There is one you have forgotten—Standard Life, Scottish, Excelsior, Commonwealth, Crown, and Continental?

A.—I think that is all there were.

Q.—Now tell us what was the commission these companies were paying to this agency for giving the—what do you call this—Savings Insurance Agency—what was the commission they were paying the agency for writing that?

A.—Different commissions. Just the ordinary agents' commissions.

Q.—How much does that amount to? We are not all insurance agents. Ten or fifteen per cent.?

A.—Well, they mount up. It all depends on the insurance you write. From fifty to seventy per cent.

Q.—On the first payment?

A.—Yes.

Q.—How much do you get after that?

A.—Five per cent.

Q.—Five per cent. of all the premiums! Well, now we have got that. How much did this company write up during this period?

A.—Oh, a considerable amount, I think. I cannot tell you exactly. Quite a big amount—about ten or eleven millions, I think. But don't think for one minute that that commission is on that ten or eleven millions. It is on the premium, out of which we have to pay our agents' commissions and our expenses, fees and all that.

Q.—Did you have an agreement with the Government in connection with this matter, that you were to have this agency?

A.—No, we have a letter from them.

Q.—You had a letter. Have you a copy of that letter?

A.—No, I have not.

Q.—Who would it be signed by?

A.—I suppose by the Provincial Treasurer.

Q.—Peter Smith?

A.—Yes.

Q.—You bring that here to the committee and see what it has in it. Peter Smith is a pretty good correspondent.

I want to go into some of your accounts. We have gone through all your cheques, a number I have gone through of your cheques and I find some cheques I'd like to get some answers on. On April 20th when you were making this deal you went to the bank and got a thousand—you took one thousand out of your account, and into Ridout's account?

A.—Ridout & Strickland.

Q.—Ridout & Strickland. Do you remember what for?

A.—Just went into the business, that is all.

Q.—Do you mean to tell me you were carrying on business and putting cheques in all the time and not taking any out?

A.—Ordinary business. We had quite a large surplus there and we found we were drawing against it and found we wanted more money on account of slow collections, so I put these amounts in.

Q.—You are going to give us some facts about this Insurance Company and yourself and Strickland?

A.—What are the facts?

Q.—We want to know whether you drew any more of these cheques and \$1,000 cheques, these \$5,000 cheques, and drew it out in money, in cash?

With reference to the Curry note, I notice this note hasn't got any stamps on it. Now, Mr. Ridout, you made \$100,000, roughly speaking, on that transaction?

A.—Yes.

Q.—What did you return your income tax at?

A.—It hasn't been returned yet.

Q.—Now tell us what you returned your income as last year?

A.—You don't return your income for 1923—what has this to do with the Committee—until this year.

Q.—Have you put it in?

A.—No.

Q.—Are you going to return that \$100,000?

A.—Whatever my solicitor says.

Q.—I understand you have returned your cheque as \$8,000?

A.—What are you talking about?

Q.—You returned to Mr. Patterson, Dominion Bank. What amount did you put in for last year?

A.—Year before last. I haven't returned yet.

Q.—Did you return it to the city?

A.—I think I have.

Q.—What did you give the city?

A.—I don't remember the amount. That was a profit on buying and selling stock.

Q.—We will leave it to the Committee to consider whether you are answering questions frankly. You say you put in income to the city. What did you put it in as?

A.—I don't remember.

Q.—Did it include this \$100,000 profit you made?

A.—This is not a profit, this is buying and selling stock, of these securities. I bought them and sold at a profit. You buy stock on the market. You sell them. That does not go into it.

Q.—If you make a profit it doesn't; if you make a loss it does.

You checked out about \$40,000 in six months. I give you credit. You are about the best spender I know of. It went easy.

With reference to this deal with Mr. Curry—

MEMBER: Who is Mr. Owen, a stock broker?

A.—A bond broker.

MR. DOHERTY: The investigations of your accounts here, your transactions, has probably put men in shape where they could write a diary for you from day to day. It may not be very interesting, but still it may have been profitable to some. When you approached the Treasurer in the matter of purchasing these Treasury Bills, did you ask any member of the Government to make any representations to the Treasurer for you in the matter?

A.—I did not.

Q.—Was there any member of the Government to your knowledge who was even aware that you were making an offer to the Treasurer?

A.—I cannot be positive of that.

Q.—You made your final arrangements for the sale of Treasury Bills in New York subsequent to having placed with the Treasurer a formal offer for the Treasury Bills, and having received an acceptance of the same?

A.—Yes.

Q.—You made a profit on the transaction although you had to discount the Treasury Bills at one per cent. higher than your offer to the Treasurer, $4\frac{1}{2}$ as against $5\frac{1}{2}$, you made your profit on the exchange?

A.—Yes.

Q.—You made a profit, you have said, of approximately \$100,000?

A.—Yes.

Q.—Your transactions with the banks, your financial transactions, have all been put before the Committee here?

A.—Yes.

Q.—The exhibit here includes all the cheques?

A.—Of the transactions.

MR. PRICE: Excepting he has to produce some more cheques. Some are not here.

MR. DOHERTY: But will you tell the Committee or will you not, that there is not, or is there, a single one of these disbursements of your funds connected with, directly or indirectly, in any way whatsoever, with any person, member of the late Government, supporter of the late Government in the House?

A.—Not one.

Q.—There is not a single one of these transactions?

MEMBER: Do you include Curry as a supporter of the late Government?

MEMBER: No, he is a supporter of my party.

MR. DOHERTY: The point is quite unimportant unless one desires to obscure the main purpose of this investigation, and which rests on the assertions which were made in the House.

Q.—When you made your deal with the Treasurer to purchase these Treasury Bills, had you or had you not an understanding with any person, directly or indirectly connected with the Government, that they should participate in any of the profits that you should make?

A.—Absolutely no.

Q.—After you made your profit in your transaction did you directly or indirectly in any way whatsoever disburse any of your profits to any member of the Government or in any way disburse any of this money for the purposes of procuring the election of any supporter of the late Government?

A.—I did not.

Q.—Not a dollar of your transaction with Mr. Curry? You understood at the time, did you, that this was simply a personal loan of yours to a personal friend?

A.—Absolutely.

Q.—Had your loan to Mr. Curry anything whatsoever to do, directly or indirectly, in any way, that you can think of, anything to do with matters political?

A.—Not one.

Q.—You were present and you heard the examination of Mr. Adam, of the Bank of Montreal?

A.—Yes.

Q.—Mr. Adam said that you must have had some knowledge of the fact that you could dispose of these bonds in some way or that you must have had a credit with a banker that would enable you to make a firm bid—a firm bid for bonds is different from an option?

A.—Yes.

Q.—An option you could, that would be a letter would be given to you that you had a right to sell the bonds, and in that case you would not need any money to back up the sale?

A.—I had an option on the second five millions.

Q.—The first five millions you bid formally. How did you come to bid firm when you did not have anybody behind you, supposing the Treasurer said, Yes, I will take you up, and you could not finance them, what would have happened?

A.—I couldn't finance it?

Q.—What would happen?

A.—I could finance them.

Q.—How much would it take to finance these bonds?

A.—I think any of the bankers would lend you on them here.

Q.—How much?

A.—Well, I know the Royal Bank offered to lend me on the Saturday against this five millions.

Q.—So you were pretty well fortified? In that case why didn't you give them the business?

A.—Because they would not sell me the exchange on the firm bid, that they would lend me against them and sell against those bonds.

Q.—Did you have a very long time conversation with Mr. Smith? Was he very alarmed about being unable to sell these bonds in New York when he was willing to accept your offer?

A.—I don't remember.

Q.—You think he was not?

A.—I have no idea what his feelings were in the matter.

Q.—Did you have a long conversation with him?

A.—Oh, that thing was done within twenty-four hours.

Q.—All done ker-bang?

A.—Yes.

Q.—And Mr. Smith, did he know you were a man of large means, that you could come in and take these bonds up at any time?

A.—He knew I had put through a deal of the same kind and he knew I could do it.

Q.—How did he know?

A.—Because I told him months before. I told him I would like to get some of the business.

Q.—And he gave you the business. Did you ever make as much money as that before in any deal?

A.—Not on a bond deal, no.

MR. PROULX: You said, you made reference to a fund. What fund did you mean?

A.—It was absolutely—I never remember making any such remark as I said, a jocular remark. I don't remember. I don't remember ever making such a remark.

MR. DOHERTY: Do you consider it good bank ethics for a manager of

bank to make reference in an investigation to anything he terms a jocular remark?

A.—No, not at all. I was surprised at him doing it. I never said the thing in the first place. I was surprised, even if I had said it.

MEMBER: Before you made your first visit in reference to this first \$5,000,000 had you been just previous to that in Montreal?

A.—No, I was not in Montreal.

MR. LEWIS: Just in connection with the Curry note, this loan you made to Mr. Curry is still owing to you?

A.—Still owing, yes.

Q.—Last October, I think it was on the 30th, as a matter of fact, you gave Mr. Curry a cheque for \$500?

A.—Yes, I did.

Q.—What was that for?

A.—Mr. Curry, I notice when he made the loan that it was for incorporation, but he is mistaken in his dates. That was a loan which was returned. I have the deposit slip showing it. Repaid and deposited in my account.

Q.—Mr. Curry made the statement that was a legal fee?

A.—He had some legal service previously to that, but that item was not that. Mr. Curry remembers it now, I believe.

Q.—This was another loan?

A.—Another loan.

Q.—Which has since been repaid?

A.—Repaid.

Q.—In addition you paid him some sums for legal services in connection with incorporation?

A.—That was a year before.

Q.—But this \$500 was another loan?

A.—Another one.

Q.—Did you take a note?

A.—No, I didn't take anything at all.

Q.—When was it repaid?

A.—About six days after, about the end of the month.

Q.—And that was a personal loan to Mr. Curry?

A.—Absolutely.

Q.—And he paid it promptly?

A.—He paid it back.

Q.—But the other \$3,000 has never been repaid?

A.—He has offered to pay it, several times, but I told him not to hurry.

Q.—He offered to pay it and, although you had got rid of this \$100,000 you did not bother taking it from Mr. Curry. Can you suggest any reason why you would not take repayment of \$3,000?

A.—Oh I would take it, naturally I would take it any time anybody would pay it to me.

Q.—But you just said—

A.—Oh several times he suggested he would pay it back one of these days, and I said any time at all was satisfactory.

Q.—He did pay back the \$500 within a few days, but he has not paid the \$3,000. Is he ever going to repay the \$3,000?

A.—I hope so.

Q.—Do you really expect to get it back?

A.—I do.

Q.—You knew of the interview Mr. Curry gave to the press?

A.—Yes.

MR. PRICE: He said yesterday it was a payment of an account. You say it is a loan?

A.—Yes.

Q.—Did you discuss that over with him yesterday?

A.—I told him, I said you made a mistake, that was a \$500 loan.

Q.—Now, Mr. Curry thought it was for payment of an account and you two got together and now you have decided it was a loan?

A.—We did not decide. I saw him in the club yesterday.

Q.—And you have made up your mind it was a loan?

A.—It was; and paid back.

Q.—Because you knew it would look funny that you would be paying \$500 for a second loan when he owed you \$3,000?

A.—Oh, excuse me.

Q.—You should compare notes before you make independent statements.

A.—Oh, I don't think that is fair. I have the \$500 paid back.

THE CHAIRMAN: Oh I suppose you were getting ready to give evidence just as you were getting ready to give notes. You and Mr. Curry were getting ready to give evidence?

A.—No, I told him he had made a mistake on that.

Q.—The fact was you and Curry have had several meetings since this has been pending?

A.—We have had one meeting.

Q.—One only? You had one when you patched up the note, when you gave this note. Be frank with the Committee?

A.—Yes, I saw him on the Monday.

Q.—And another when you made another mistake?

A.—Yes.

Q.—So you have that straightened out at last?

MR. CURRIE: You had a meeting yesterday?

A.—Yes, we had lunch together, exactly the same day, at the club.

THE CHAIRMAN: You talked this over every day?

A.—No, I don't think ever before.

Q.—You patched up the note one day and the next day corrected his interviews in the paper.

THE CHAIRMAN: Well, you will get that information and you will be notified when the next meeting is. I am quite prepared to believe he was wrong and you have made him right.

J. W. Curry, K.C., called; sworn. Mr. Currie examining.

Q.—What is your occupation?

A.—Registrar of Deeds, City of Toronto.

Q.—What were you on April 20th, last year?

A.—Practising barrister in the City of Toronto.

Q.—Member of Parliament?

A.—Member of the Local Legislature last Parliament.

Q.—Do you know the last witness that has been on the stand?

A.—I do.

Q.—Do you know the late Provincial Treasurer?

A.—I do.

Q.—What were your political relations? I mean to what party did you belong to in the House?

A.—Liberal party.

Q.—Were you at any time friendly to the late Government?

A.—I have voted, as every Liberal did, with the late Government in the House.

Q.—What office did you get from them, if any?

A.—Registrar of Deeds, City of Toronto.

Q.—The late Government, which was the Farmers' or Progressive Government now, called, appointed you to the office of Registrar of the City of Toronto?

A.—Yes.

Q.—How much salary?

A.—\$8,000.

Q.—How much?

A.—\$8,000.

Q.—What representations if any did you or your friends make to the late Government in order that they should appoint a Liberal, who was opposed to them in politics, to that office?

A.—I cannot tell you.

Q.—Did you ask Peter Smith or any of them to give you that office?

A.—No.

Q.—Was that position created for you?

A.—Not to my knowledge.

Q.—Was that position ever filled before?

A.—Yes.

Q.—It was?

A.—Yes.

Q.—Who held it?

A.—Ridout.

Q.—Ridout?

A.—Not this same Ridout.

The first Registrar was Ridout; the next one was Lindsay. In Lindsay's time it was divided.

Q.—In Lindsay's time it was divided into east and west, is that right?

A.—I believe so.

Q.—And it ran along until last year, since the last session of the late Parliament?

A.—Yes.

Q.—When a Bill was passed amalgamating the offices?

A.—Yes.

Q.—Who promoted that Bill? The Government?

A.—Yes.

Q.—And you were present in the Legislature when discussions were taking place on all these questions?

A.—Surely.

Q.—The legislation passed the House and the fees were commuted. It used to be for fees before that?

A.—Yes.

Q.—And they commuted the fees and amalgamated the offices, is that right?

A.—I would not say that was the effect of the statute. I haven't it before now, but the fees, I know, are payable to the City of Toronto, less salary.

Q.—Mr. Peter Ryan was the precedent?

A.—He was for the east, yes.

Q.—Who was acting for the west?

A.—Mr. McCree.

Q.—That was the deputy?

A.—Yes, sir.

Q.—And what did they do with Mr. Ryan?

Q.—The bill made provision for Mr. Ryan getting, I think it was, two-thirds of the amount that he received annually in fees for a period, computed on a period, if I remember rightly, of three years.

Q.—Three years?

A.—That is if I remember rightly. I am speaking from memory.

Q.—And so Mr. Ryan got \$4,000, did he?

A.—I think not.

Q.—How close is it to that?

A.—Well, I cannot be sure of that; my recollection is that he gets—

Q.—He got about \$6,000 before?

A.—Well, if you will just pardon me just a minute, I just want to compute for a few minutes. I think I can give you it reasonably accurate. I think \$153 and some cents each half month.

Q.—Every two weeks?

A.—On the 15th and end of the month.

Q.—Between \$3,500 and \$4,000.

A.—Well, it is just over, I think, \$3,500, or over \$3,600.

Q.—So Mr. Ryan would have been drawing in office close to about \$5,000 a year and they commuted it to a pension of between \$4,000 and \$5,000?

A.—No. He is now getting \$3,607, I think, and some odd cents.

Q.—And you are getting \$8,500?

A.—No, \$8,000.

Q.—So the total payment now on account of the Registry position that you hold will be about \$11,000 odd dollars?

A.—Well, Mr. McCree was acting Registrar because no one had been appointed since Mr. Bowe's death, he is now second senior deputy.

Q.—Was he drawing fees?

A.—He was drawing fees.

Q.—Well, now, there has been a great deal of discussion, Mr. Curry, as to your relations with the late Government. Which one, which particular member of the late Government were you well acquainted with? Were you well acquainted with the Treasurer, Mr. Smith?

A.—I never saw Mr. Smith in my life until I became a member of the House

Q.—Well, that is about four years ago?

A.—About four years ago.

Q.—Were your relations friendly with Mr. Smith all the way through? He is a jolly good fellow?

A.—My relations were friendly.

Q.—Do you know if he had anything to do with your appointment?

A.—I have no doubt he had as one of the members of the Government.

Q.—You don't know who recommended you to the position?

A.—I would imagine it would be Mr. Raney, who was the Attorney-General and in whose department it is; that is what I would—

Q.—Well, the custom is for somebody to recommend you, I think, and it is then o.k.'d by the acting Minister?

A.—Well, I would have knowledge if it was done.

Q.—For instance the Liberal organization in this city?

A.—Not that I know of.

Q.—Did not send any petitions for you to be appointed?

A.—Not that I know of.

Q.—It came to you out of a clear sky?

A.—Well, I don't know whether the day was clear or not that I got the information.

Q.—You heard some rumblings in the House before the close of the session when you were supporting the Government very strongly; you made statements in the House that you were supporting the Government?

A.—Statements in the House that I was supporting certain Bills.

Q.—Well, name some of them?

A.—I cannot tell you now?

Q.—Was that Registry Office Bill one of them?

A.—Yes.

Q.—There was another called the Blue Sky law?

A.—Yes. I was appointed chairman of the committee that considered that and the report of the whole committee was unanimous in respect of the Bill and supported the Bill in the House.

Q.—And also provided a good fat salary?

A.—I don't think so.

Q.—For the chairman of the Board?

A.—I don't think it named any salary.

Q.—But the Government had the power to make the salary anything they wanted?

A.—I think the Bill gave them power to name the salary.

Q.—Gave to them the power to name the salary, that is my recollection; well, those two Bills were passed that session which provided two positions here?

A.—Yes.

Q.—And you have no idea in the world how it came about that you got this position?

A.—And when it was offered to me I was some time before I concluded to accept it.

Q.—You did. What was the reason?

A.—I hadn't any reasons and I don't think it concerns this Committee.

Q.—You had been bereaved for some time before?

A.—If it had not been for that I never would have accepted it, I want to tell you.

Q.—Your health was broken?

A.—My health was affected.

Q.—And you thought the refuge of a good Government position—

A.—If you care to put it that way I cannot object.

Q.—With reference to that matter, the newspapers at the time stated that you had been the recipient of a considerable legacy. I don't want to go too closely into your private affairs?

A.—I will permit you to go as far as you desire into all of my private affairs, because I believe that a man who sets himself up to ask for the suffrages of the people and is given their confidence, his private affairs in so far as there is any

possibility of them affecting him, may become public and I don't seek to hide anything behind privacy. Anything I know in regard to any matter I will tell you the truth as I know it.

Q.—The reason I asked you is that you were borrowing this money from Ridout?

A.—Yes. May I give the Committee the full circumstances?

Q.—Tell us all about it and we will shorten up the examination?

A.—I think you will shorten it considerably, because I think I can make a statement. I had to change my home and mode of living in a way and was invited by my son-in-law—just pardon me for a minute, as it is just a year ago to-day—to make my home with them, and after some discussion I consented.

They were living in a home, having three children, and it was just big enough for themselves. I said, for me to come here would crowd you and make it perhaps inconvenient for you and for me. If you will care to buy a larger house I will be glad to come and stay with you and I will allow for my occupation of such portions of the house that I occupy, and I have a sitting room and bedroom to myself, what it would cost me to live otherwise. That resulted in my daughter and my son-in-law and myself looking up certain houses.

We selected 193 Madison Avenue. The price of that house was \$22,000, and \$500 for the blinds, curtains, gas fixtures, electical fixtures, and then there were some little things, and there were some Macey's book cases, at a hundred dollars.

On the 28th of March an option was signed by my daughter for the purchase of it, the house at 157 Roxborough Street East being in her name, and entirely paid for. That house was worth in the neighbourhood, as we believed, of \$11,000 or \$12,000, and subsequently sold at \$11,000. That left about, as I estimated, \$12,000 that might possibly come from the sale of the house, and I hypothecated with the Imperial Bank bonds and stock to the extent of that, and I—the bank shows it—obtained a loan from the Imperial Bank of \$12,000, and through Mr. Ridout. And that was the first transaction in connection with any loan that I had.

In discussing the matter one day with Mr. Ridout, who spoke to me in the club and said, well what are you going to do now, I said I was going to live with my daughter, and I thought we would purchase 193 Madison, and that I was going to have to obtain a loan, and knowing he was in the insurance and brokerage and loan business I asked him if he knew at what price the loan could be obtained. He said, I think I could get you a loan from the Standard Life, that is one of the companies mentioned here, at 6½. Well, that was a little better than I could get; 7 per cent. was the ruling percentage.

Mr. Ridout got that loan. It went through. Acting for the Standard Life was Smith, Rae & Greer. I think probably Mr. Wallace acted for my daughter, and the deal was put through. I can give you the date it was put through apparently as I made a cheque to Mrs. D. M. Stair, May, 1923. The was \$500 paid to the agent on the 28th of March, \$500 payable to Mrs. Stair on the 28th of March, given to the agent, and that made \$1,000, and that, with the \$1,000 that was paid over made nearly \$23,000 that was paid at that time.

Then we desired to sell 157 Roxborough Street East, which was my daughter's late home, but when it came to selling it there was no difficulty getting buyers if we had had a side drive and garage. But as there were no side drive or garage we found it impossible to sell, and it was not sold until late in August or September. After a good deal of trouble we got on Rentham Place—you v

know where it is, coming up from Crescent Road to Roxborough Street East—we got through two people's lots getting an entry to the back of this lot and to the one immediately to the west, so there were ultimately three people that contributed to the purchase of that right-of-way from the people we had to purchase from.

That delayed the sale of that property. At the time that Mr. Ridout looked at the property and sent his valuator to value 193 he also looked at and sent his valuator to look at 157, but there was no object in putting a loan on 157 until about to sell, because we might sell to somebody who did not want a loan, who might pay cash, and there was no object in paying interest up to that time, because the house was empty, and there were taxes to pay. It was not until we were about to sell, and the people did not want a loan, that the loan was put through and by that time the company was on the road to take the loan. And the loan was subsequently taken by the Synod of Toronto, through Coatsworth and Richardson, and that money was paid to my daughter who transferred that cheque to me and that was paid to the bank and I sold some of the securities in the bank as late as December, and paid off the loan.

Now getting back, then, in May, the 10th. When I was home ill. The House was over. There were certain payments that were coming due. My bank account was, I think, \$82 overdrawn. Having a loan of \$12,000 and expecting shortly that I would get this mortgage through that I expected would come from the company that Mr. Ridout was in, I spoke to him in regard to the fact, could he give me a loan. Now in respect to knowing of his having made some money, all I knew, when we were straightening up the deal in regard to the mortgage on 193, that is early, 2nd of May, he had said he had done pretty well in some transaction. I did not know what it was, didn't know the particulars of it. And if I needed anything at any time he would be glad to oblige.

Q.—Yes, and he gave you that loan?

A.—He made that loan to me of \$3,000.

Q.—How much did you ask for?

A.—I asked for \$3,000.

Q.—How much did you ask him?

A.—I was telephoning to him. I phoned him and he said how much do you want and I told him.

Q.—How is it he did not give you a cheque?

A.—I don't know. I have no hesitancy in saying I was surprised when he gave me the money.

Q.—He gave you \$3,000 in cash?

A.—Yes, sir—in hundred dollar bills.

Q.—On May 10th?

A.—Yes.

Q.—Now, Mr. Curry, you don't think he gave you that money for election purposes?

A.—I know he did not.

Q.—You applied it for your own use?

A.—Absolutely.

Q.—Did you make any contribution to the Government?

A.—I did not.

Q.—You didn't?

A.—No, sir.

Q.—And you didn't know anything about getting this position that you have now, that it was necessary for you to help out?

A.—I knew I had the refusal of the position while the House was sitting, because Mr. Hay spoke to me and said, "Are you going to get the Registry Office?"

Q.—That is the Liberal leader?

A.—The Liberal leader. And I said, I don't know, and I won't ask for it. I might accept it if it was offered to me. I am just telling you what took place with Mr. Hay. Mr. Hay came to me later on and said to me that he thought Mr. Raney would offer it to me. That is all I knew until I had it offered to me.

Q.—He thought Mr. Raney would offer it to you?

A.—Yes.

Q.—Was the relation between Mr. Raney and Mr. Hay so close that Mr. Raney—

A.—I cannot tell you. I am telling you exactly what happened.

Q.—Did Mr. Clarke have anything to say about it?

A.—No, sir.

Q.—So you left the question entirely in the hands of your friends?

A.—Well, I didn't ask any friends to ask for it for me.

Q.—Do you know if any of your Liberal friends in Toronto wanted to give you that position?

A.—I don't know. I know there are some, if that is what you have reference to, that were not very friendly. Some were and some were not.

Q.—Was anybody else competing for that job?

A.—Not that I know of. I have no knowledge of anybody else being an applicant.

Q.—About this other \$500?

A.—Yes, sir.

Q.—You made some statement in the papers?

A.—That was made over the telephone, as I said to the reporter here this morning. I got him wrong. I won't say it was his mistake. I think it was mine. I thought he had reference to another cheque entirely. There is a cheque returning that \$500 loan. I thought he had reference to another matter, and as I have nothing to conceal at all in the matter I told him about the other matter. I did not forget this at all. I thought he had reference to another matter.

Q.—You applied that money immediately to your account?

A.—I don't know why it was deposited—

Q.—I mean the \$3,000?

A.—The \$3,000? Two thousand of it was deposited on the 14th. I will give you the deposit slip. I got it. So that I have the thing accurately.

Q.—What happened the other \$1,000?

A.—\$400 of it I gave to my daughter and \$300 of it I gave to the Rossin House in payment—pardon me for calling it the Rossin House, I mean the Prince George. I am getting up, you know, in years, like others.

Q.—Where were you stopping before you were appointed? Where were you living the last session in the House?

A.—Mrs. Curry and I had been living at the Prince George.

Q.—Now you say you applied that money immediately to your own account?

A.—To my own uses.

Q.—You carried it around for a while and apparently applied it on March 14th?

A.—I may have. I know I was sick and I don't know whether I had been in the office or not. I know I gave it to the bookkeeper and told her to deposit it to the credit of my account.

Q.—You swear positively you did not make any subscription to the campaign fund?

A.—I made no subscription to any, and I did not ask anybody to make any, and I did not give anybody any money to make a subscription.

Q.—I understand you were benefited considerably by a legacy?

A.—Not by a legacy. Under the will of Mrs. Curry I have the estate for my life. Afterwards my daughter has it, and then it goes to my grandchildren.

Q.—I understand it is \$100,000?

A.—It was probated. I doubt if they will realize that because of the fact that some of it is real estate that may be of speculative value, and I know in one in which I had an interest, I think the interest was put at six thousand, and we have since arranged it. I think the estate will be considerably less, but when I had to swear to it I was bound I would swear to it at sufficient amount so that there would be no question of my undervaluating, and maybe there is some of it will sell a little bit better because of the conditions—

Q.—The will only gives you a life interest?

A.—The will only gives me a life interest, sole control of it during my life.

MR. LEWIS: Just a question in connection with the loan Mr. Ridout arranged?

A.—Yes.

Q.—Six and a half?

A.—Yes.

Q.—Did he charge you agent's commission?

A.—Well, I was thinking about that this morning. I cannot tell you. It was looked after by Mr. Wallis, but I don't think that he did. Now I have some cheques here in connection with insurance and so on, payable to Ridout & Strickland, if you desire to see them. Everything is here.

MR. CURRIE: How much? Is the amount in the thousands?

A.—No, no. There is no cheque here that is larger than—I can give them to you. There was one May 12th, \$70, in full of premium on house and garage, 93 Madison Avenue. It went through their company. They insisted upon the insurance and the insurance that Mrs. Stair had on it was cancelled and that put n.

Then I see out of that some money that was paid out of that loan from Mr. Ridout.

Q.—Was that the \$5,000?

A.—The \$3,000.

Q.—You paid a thousand?

A.—No, no, this is \$70. Then I paid the Registrar of the Surrogate Court, estate of Mrs. Curry, \$200, and I am just looking over these other cheques that went to Ridout & Strickland so there will be no question.

MR. LEWIS: The only point I was interested in was whether you recollected whether you were charged?

A.—I don't think I was. My opinion is I was not. If I have to be positive would say I was not. I think I spoke to Mr. Ridout about it and found that he didn't. I think I have a recollection but I am not quite sure.

Q.—At any rate on the larger loan he did not charge you anything?

A.—No. I am quite sure he did not.

Q.—He did not take a promissory note or anything?

A.—No, he first came to my house on Monday night and said, I want a note. I said, You are entitled to it if you want it. And I said, Col. Currie, I called attention that there are no stamps on it, I wish you would put stamps on it. He said, I just want it as evidence so I can show it to the Committee, so I said, In that case mind and tell the Committee that was only given now.

Now in regard to the payment, on several occasions I have asked Mr. Ridout if he desired the money. I said, if you do, the sale not having gone through, I will sell some securities and give it to you. And it would have been paid. But when I came to straighten up the matter with Mr. Brown who bought the house, they had a mortgage on a farm in Norfolk County which they were going to sell and pay the balance, and when they came to sell the mortgage they were unable to sell it, and I practically had to take a second mortgage, having let them into possession. I had been foolish enough to let them into possession, although it really was my son-in-law who let them, and I took over \$5,300 and some odd dollars, and the only payments, I think, were made was that \$100 that was made to the agent and then a \$300 payment and then a \$100 payment.

But the other mortgage is, I think, going to be assigned to me now as security to this second mortgage. Now if that had been paid in cash on that house the note would have been paid at once, just as soon as that was paid.

MR. CURRIE: Let us refer back to your appointment. Did you have any conversation about this office with Mr. Peter Smith during the period that this was going on?

A.—I had no—I am sure I had no conversation.

Q.—You have no recollection?

A.—I am sure I had no conversation with Mr. Peter Smith.

Q.—Did you have a talk with Mr. Raney?

A.—I had a talk with Mr. Raney after a considerable time, a considerable time after the House rose. Not before.

Q.—About your appointment?

A.—Yes.

Q.—You did not assist the so-called Farmers' party with campaign funds?

A.—In no way.

Q.—Did you get any of your friends?

A.—I asked nobody to. I was not asked to ask anybody to.

Q.—We may want to look over your cheques?

A.—I will be glad to.

Q.—We will let you go now?

A.—Thank you. Here are my cheques, there is nothing there you cannot see. In addition to the cheques here are the bank book and those are the statements that come from them and these are all right up to date. This is my bank book. Just one point, the one cheque I got that by special letter to the bank as that was in a savings account. There is the letter from the bank manager, sending me that cheque.

Q.—That is savings?

A.—That is savings. Now do you want my savings bank book?

MR. CURRIE: Better put them all in.

A.—All right, all go in. I would just like to call your attention that they will show you two up here that happen to be in blank. Now—

Q.—They can check it in the pass book?

A.—Yes. One of them I think is the Curry and Wallace for \$4,000 and the

is a personal transaction absolutely, and you know Mr. Wallace, he can give you the transaction. If you want to know I will tell it to you, but it is absolutely a personal matter; and then here is another cheque for, I think, it is in blank, \$123.50. Now those, I think, are the only blank ones.

MR. PRICE: I was going to make this suggestion, that going into bank accounts with cheques you cannot go into it in a few minutes and unless you are prepared you cannot examine at all, and I was going to suggest that as there are several accounts here including Mr. Curry's, and also the one to Ridout & Strickland and to L. C. Owen, and to A. H. Britton, that no one can examine before a committee until they go into these accounts and know something about them, and we are only losing time in the Committee. You go over two hundred cheques and you pick out what you want and then you examine. In order to get on I was going to say that we could appoint a small committee to go over these in the meantime and bring it before the Committee, and any witnesses where they think there is anything that needs explanation, and if that would meet with your approval I would ask Mr. Haney to go on that committee to represent the Government, and if Mr. Sinclair would name someone, and Mr. Doherty, I think we would make more time than at present, all the things being available, and they bring anything they like.

THE CHAIRMAN: Perhaps Mr. Biggs will name someone.

MR. BIGGS: We will let you have the name, yes, before 3 o'clock.

MR. CURRIE: I would like to have this, and the bank book, so I can go and get all the cheques, because I see there is one here that is in blank, that is \$500, and that might be a case for suspicion if the cheque is not here.

MR. SINCLAIR: I suggest Mr. Proulx.

MR. BIGGS: We will give you name before 3 o'clock.

MR. CURRY: There was one thing, and that is that \$500 cheque, there seems to have been some misunderstanding. I was telephoned by Mr. Chambers. I was also telephoned by Mr. Willmott. Now this matter had been discussed, as I understood this \$500 cheque before, and if I remember rightly, he said the Treasurer had given out information in regard to another \$500 cheque, and I said, well that must have reference to legal fees for the incorporation of the Insurance Agency, which went into the firm. It did not come to me personally at all. Now I perhaps ought not to have fallen into that mistake because I thought they were referring to that, and after I rang up the *Globe* and Mr. Villmott was not in, to see if I had made a mistake, and they said, no, Mr. Villmott was not there, and I wanted to give the information, and that was before I had seen Mr. Ridout at all, so that—

MR. PRICE: Well, I think the Committee has the situation. At the last session of the Committee I asked you to approve of a resolution getting Mr. Harris before the Committee, but this has lasted so long I would not ask Mr. Harris to come. Now, Mr. Roadhouse has written in saying that he is here now and could appear before the Committee. I do not think that anything more in connection with this will be ready unless they do it pretty rapidly this afternoon or to-morrow, so I was thinking we might have before the Committee on Friday, Mr. Roadhouse, on the other \$5,000,000 and if any time was left I could go on and take Mr. Mathews' evidence on the Provincial Securities, and then have Mr. Harris next week. I am quite satisfied to go into it any way the Committee desires.

MR. BIGGS: Clean up one thing first.

MR. CURRY: There is just one thing Mr. Currie did not follow up. The

\$400 I gave my daughter and the \$300 went to the Prince George, leaving \$300 unaccounted for. I still had that and spent it myself.
The Committee then adjourned.

PUBLIC ACCOUNTS COMMITTEE

The Committee met Monday evening, March 24th, at 8 P.M., with Mr. Finlayson in the chair.

Wm. M. Douglas, called; sworn; examined by Hon. W. H. Price, K.C.

Q.—Mr. Douglas, you are employed in the Treasury Department?

A.—Yes, sir.

Q.—What is your position there?

A.—Chief clerk.

Q.—And how long have you been in the employ of the Treasury Department?

A.—Some thirty-five or forty years.

Q.—And you have charge of a great number of the records of the Department?

A.—Yes, sir.

Q.—I am asking you to produce certain correspondence and data which we have in the Department?

A.—Yes, sir.

Q.—This is a letter from the Bank of Montreal, dated 18th of March, 1924, showing the exchange since the 2nd of February, 1920, to the 2nd of January, 1924, that is right?

A.—Yes, sir.

Q.—And you have gone over this exhibit and verified it?

A.—Yes, sir, I have.

THE CHAIRMAN: Exhibit 36.

Q.—And also letter from the Bank of Montreal dated 21st of March, 1924, giving the rates of Succession Duty Free stock, inscribed stock, on the London exchange—

A.—Nominal quotation.

Q.—Produced by Mr. Douglas, and marked as Exhibit 37.

Also Mr. Douglas produces a packet of correspondence with the Bank of Montreal, London, showing where they purchased for the Province certain Succession Duty Free stocks and the prices at which they were purchased?

A.—Yes, sir, for sinking fund purposes.

Q.—And attached to it a computation and comparison which you have made out?

A.—Yes, sir.

Q.—Is that a correct computation and comparison from the voucher produced?

A.—That is correct, quite so.

Q.—I would like to put this in as Exhibit 38. In this Exhibit 38 is included purchases by the Bank of Montreal in the year 1921 including vouchers for the stock in each case, $4\frac{1}{2}$ per cent. stock, of February 2nd; $3\frac{1}{2}$ per cent. of February 3rd; 4 of February 3rd; 4 of May 12th; 4 of July 12th; 4 of July 12th; 4 of August 17th; 4 of July 27th; $3\frac{1}{2}$ of July 26th; $4\frac{1}{2}$ of July 14th; 4 of November 4th; $4\frac{1}{2}$ of November 10th, and 4 of December 6th.

I was going to say, Mr. Chairman, that I would put a complete list of those vouchers as produced so that they could go into the record. It would take too long to go over them individually.

Also, produced by Mr. Douglas these various vouchers of the Provincial Securities Company?

A.—Yes, sir.

Q.—These are all the vouchers of the Department?

A.—Those are all the vouchers of the Department.

Q.—You have gone over them carefully?

A.—These are all the vouchers.

Q.—With the cheques?

A.—Cheques attached.

Q.—I will put these in. Exhibit 39, and they comprise vouchers numbers 155, 11616, 13317, 15688, 19704, 20350, 9746, 11431, 14235, 15689, 16346, 17116, 1016 and 10900. And in each case there is attached to the voucher the correspondence and the cheque. And, Mr. Chairman, I propose to file with the clerk or ready reference for other examiners the lists of the documents comprised in each voucher. I think probably copies, too.

THE CHAIRMAN: Those are all Provincial Securities Corporation.

Q.—And you are producing also order-in-council of what date?

A.—Tenth day of February, 1921.

Q.—Signed by Mr. Bulmer, Clerk, Executive Council, as Exhibit 40.

Q.—Order-in-council dated?

A.—Twenty-ninth July, 1921.

Q.—Exhibit 41.

Q.—Also a packet of letters from the Provincial Securities Company of various dates?

A.—Various dates, yes.

Q.—Covering from March 4th to May 17th, Exhibit 42.

And, Mr. Douglas, you have taken, as I understand, the various vouchers, you have gone over these vouchers, the various vouchers in Exhibit 39?

A.—Yes, in the order in which they come.

Q.—And you have also gone over Exhibit 38 comprising purchases of the Bank of Montreal for the same period?

A.—Sinking Fund, yes.

Q.—For the same period?

A.—Purchased by the Bank of Montreal, yes.

Q.—And you have made a compilation or perusal of these purchases?

A.—These are on the exhibit.

Q.—Just answer?

A.—Yes, sir.

Q.—With these purchases, with these of the Provincial Securities Company?

A.—Yes.

Q.—And I produce that compilation as Exhibit 43. And this comparison computation is Exhibit 43. And I see here you have taken the first purchase of the Provincial Securities Company of February 11th?

A.—February 11th, yes. 1921.

Q.—And compared it with a purchase of the Bank of Montreal?

A.—Bank of Montreal, yes, sir.

Q.—About the same date?

A.—Same date, yes.

Q.—Whereby the Province paid a price of one hundred to the Provincial Securities and the quotation on the London Stock Exchange was $76\frac{1}{2}$.

A.— $76\frac{1}{2}$.

Q.—And that the Province paid $4.86\frac{2}{3}$ exchange?

A.—Exchange.

Q.—To the pound, and the rate was $4.40\frac{3}{4}$?

A.— $4.40\frac{3}{4}$ that day.

Q.—Therefore the Province lost 30.72 points?

A.—30.72 points.

Q.—Now on that purchase of 8,200 pounds the Province lost \$12,259.81?

A.—Yes, sir.

Q.—That is correct?

A.—That is correct.

Q.—And on the same purchase from the Provincial Securities Company of 12,400 pounds on the same date?

A.—Same date.

Q.—And computing the same way, the Province lost \$17,440.18?

A.—Yes, sir.

Q.—That is right?

A.—Yes, sir.

Q.—Now you have gone over these purchases of the Provincial Securities Company, compared them with what the Province could buy on the London Stock Exchange on the same dates?

A.—Same dates.

Q.—After comparing them with these exchange items as gotten from the Bank of Montreal?

A.—Yes, sir.

Q.—And the prices that were prevailing on the exchange at that time and what is the total loss on the Provincial Securities transactions?

A.—\$51,181.85.

Q.—On how much of a purchase?

A.—42,850 pounds.

Q.—On 42,850 pounds, which would be approximately \$200,000, the profit was \$51,181.85?

A.—Yes, sir.

Q.—That is, the profit to the Provincial Securities Company, if they bought the same as the Bank of Montreal?

A.—Same price.

Q.—Or a loss to the Province, because they did not buy through their agent the Bank of Montreal, in London? That is correct?

A.—That is correct.

Q.—That is approximately a 25 per cent. loss?

MR. CLARKE: That is the difference between the price paid to the Provincial Securities and the price paid in London?

MR. PRICE: Yes; the Bank of Montreal, according to law, must buy a certain small percentage each year for sinking fund; no matter who else buys they have to do that. And in buying these in, we have here, and any member can look over them and see the stock they sent us was bought in at the price that should be a pretty good index of what the stock was selling at the time on the market.

MEMBER: Well, these were the same rate of interest and maturing at the same date?

MR. PRICE: That is right.

Q.—I am going to examine Mr. Mathews on the Provincial Securities Corporation and go into these more particularly with Mr. Harris, but just before you leave the box, I would like to ask you if you knew of a Mr. Snyder?

A.—No, sir.

Q.—Who was supposed to be in the Provincial Securities Company?

A.—No, I don't know who he is.

Q.—Did you ever meet Mr. Snyder?

A.—Not that I know of.

Q.—Did you ever have an introduction to him, Mr. Snyder, by any one?

A.—No.

Q.—Do you recollect who it was that dealt with the Department on behalf of the Provincial Securities Company?

A.—No, sir, I do not. Except just people would come with the securities and we would check them up, that is all I had to do with it. I don't know that they would be handed over the counter by someone else?

Q.—Do you recollect handing out these cheques to anybody for the Provincial Securities Company?

A.—No, sir.

MR. CURRIE: What is your position with the Department?

A.—Chief clerk.

Q.—Were you conversant with these transactions at that time?

A.—Well, just in the way of checking up the securities as they came in and at the prices that we agreed on, and seeing that they were correct, and the accrued interest, and so on; seeing the account was checked before they were passed on to the Audit Office for payment.

Q.—Were you checking up the prices of the market at that time?

A.—No, sir, just taking them at the prices—

Q.—Did you notice there was a discrepancy at that time?

A.—Well, I didn't know there was a discrepancy. Of course, those were the prices we were told to accept those at when they came in.

Q.—Who told you?

A.—Well, the Assistant Treasurer and the Treasurer.

Q.—You didn't call their attention to the fact that there was a big difference in the prices?

A.—No, sir.

MR. CLARKE: I suppose that was not part of your business?

A.—I had nothing to do except checking them up and sending them on.

MR. PRICE: He figures out the various things but he has no discretion.

Q.—No executive power at all?

A.—No, sir.

THE CHAIRMAN: You simply made the computation?

A.—The computation.

MR. PRICE: He is really the accountant.

Q.—Did the Province ever deal with the Provincial Securities before?

A.—I don't know of any dealings.

Q.—Never heard of any?

A.—No.

MR. GARDEN: Did you realize at the time that the Province was losing a lot of money by having affairs handled in this manner?

A.—Well, not until later on when the prices were going up pretty high. It was common talk.

Q.—Then you noticed there was something losing?

A.—Prices were going up.

C. A. Mathews recalled; sworn. Mr. Price examining.

Q.—Mr. Mathews, you are the Assistant Provincial Treasurer?

A.—Yes, sir.

Q.—In the absence of the Treasurer, you are in charge of the Department?

A.—Yes, sir.

Q.—Do you recollect transactions the Department had with the Provincial Securities?

A.—I remember something of them, sir.

Q.—And in what year did these transactions take place?

A.—1921.

Q.—Do you recollect the negotiations with the Provincial Securities Company?

A.—No, sir, I do not know much about them.

Q.—Did you have any negotiations with them?

A.—I saw Mr. Harris two or three times but whether in connection with the Provincial Securities or as connected with Browning, Harris & Company I cannot remember.

Q.—Where did you get your instructions to deal with the Provincial Securities Company?

A.—From the Minister.

Q.—What did those instructions consist of?

A.—Well, there was a letter came in, I understand, a letter and an Order-in-Council passed, to put these securities through.

Q.—What was the first, was that the first intimation you had of it?

A.—To the best of my recollection that is the first intimation I had.

Q.—Did you know then Harris had anything to do with the Provincial Securities?

A.—I cannot say that I did then.

Q.—Were you called into conference with the Minister on this deal with the Provincial Securities?

A.—Not that I remember.

Q.—At that time when the deal was made?

A.—No, sir.

Q.—Did Mr. Smith when he decided to give business to the Provincial Securities Company, call you in and ask your advice on it?

A.—Not to my recollection.

Q.—When were you first called in in conference in connection with this deal?

A.—I don't know that I was ever called in conference, sir.

Q.—You want to tell us you didn't have any consultation with the Minister on this deal?

A.—Not that I can remember, no, sir.

Q.—Do you feel that you are responsible for this deal?

A.—No, sir.

Q.—Well, who was the deal made with in the first place?

A.—Well, I assume it was made with the Minister. There was an order-in-council passed eventually authorizing the purchase.

Q.—Now, in Exhibit 39, we have an order-in-council, that is the order-in-council, Mr. Mathews?

A.—Yes, sir.

Q.—Exhibit 39?

A.—Yes, sir.

Q.—We also have a special exhibit in this order-in-council, dated 10th of February, 1921, and it says in part:

Whereas the Provincial Securities Company is offering to sell to the Provincial Treasurer 18,200 pounds, 4 per cent., inscribed stock, May 19th, 1947; 32,400 4½ inscribed stock, 1st January, 1955, being part of the said inscribed stock, the Provincial Treasurer recommends that pursuant to 7 George V, Chapter 3, the Treasurer of Ontario be authorized to purchase out of the Consolidated Revenue Funds at par and par of exchange, with accrued interest—

Q.—What does that mean, par and par of exchange, with accrued interest?

A.—It means that the price at which they would be bought would be par and—

Q.—Well, what is par?

A.—100.

And exchange would be at 4.86, and accrued interest from the last interest date.

Q.—Delivery of said blocks amounting altogether to 50,600 pounds?

A.—Yes, sir.

Q.—About \$250,000?

A.—Yes.

Q.—Well then, having received that order-in-council—at that meeting there were present Messrs. Drury, Raney, Nixon, Smith, Bowman, Biggs, Grant and Mr. Mills. Did you receive this order-in-council before you received the letter from the Provincial Securities?

A.—I cannot—I am not sure on that point, sir. There is no date on the letter. I cannot tell.

Q.—Well now, this is rather important. It is a rather peculiar deal and it is rather important. You cannot tell us then positively whether you received the order-in-council and the letter at the one time?

A.—No, sir.

Q.—The letter is also part of that voucher, Voucher 8155?

A.—Yes, sir.

Q.—Now this letter from the Provincial Securities Company and signed Charles Snyder, I notice that it is not on a printed letter-head. They have just got a typewritten top to it?

A.—Yes, sir.

Q.—Provincial Securities Company, 106 Mail and Empire Building, Toronto?

A.—Yes, sir.

Q.—And addressed to the Provincial Treasurer?

A.—Yes, sir.

Q.—It has got no date on it?

A.—No, sir.

Q.—Now this letter says: With reference to outstanding bonds and stock of the Province of Ontario which are free from Succession Duties, we beg to

offer you the following: 18,200 4 per cent. Inscribed Stock, 1st of May, 1940; 32,400 4½ Inscribed Stock, January 19th, 1955. The above two blocks of stock are offered to you at par with payment by you at par of exchange with accrued interest on date of delivery. We can deliver the following on Friday of this week—

Q.—Friday was the next day?

A.—Next day to what?

Q.—The balance we can deliver as soon as proper powers of attorney are delivered to us. We would request you would advise us at the above address if our proposition is one that can be accepted by you. Signed, Provincial Securities Co., Charles Snyder.

Q.—Now who was it brought that letter in to you?

A.—I cannot remember. I think it would come from the Minister's office.

MR. CURRIE: Who was the letter addressed to?

MR. PRICE: It is addressed to the Provincial Treasurer, but of course it might be sent by post. Honourable members can see it is a letter just with a typewritten top. No date on it.

Q.—When you saw this letter did you make inquiries who Charles Snyder was?

A.—No, sir.

Q.—Did you look up to find out who the Provincial Securities were?

A.—I did not.

Q.—Did you find out whether they actually had a place at the Mail Building?

A.—No, sir.

Q.—Did you look to find whether they had their name in the telephone book?

A.—No, sir.

Q.—Or in the directory?

A.—No, sir.

Q.—Did you know who you were dealing with at all?

A.—No, sir.

Q.—Well, that is very remarkable, that the Minister should not have said to you, Now I have someone here whom I am going to make a deal with. If it was, say, the National Trust or any large bond company, naturally you would not enquire.

A.—I would not enquire if there was an order-in-council authorizing the purchase. The responsibility rested with others than myself.

Q.—Well, your position is that having been given an order-in-council and been given a letter and the thing accepted you were to put through the deal?

A.—Yes, sir.

Q.—Well, here is another feature of this. You understood what par, par of exchange, meant, and with interest. Did you point out to the Minister that that was pretty high the way rates of exchange were going?

A.—I don't think so, no, sir.

Q.—You did not point out?

A.—No, sir, I didn't have anything to do with it.

Q.—Were you asked about rates of exchange at that time?

A.—Not that I can recall.

MR. GRAYES: Were you ever asked on any other deals, Mr. Mathews, is this the same as other deals?

A.—This is practically the same.

Q.—In other words, your official capacity is to do what you were told?

A.—That is the position I have taken always, sir.

THE CHAIRMAN: Do you mean that when a clear and apparent bad bargain is made you do not even draw the Minister's attention to it?

A.—The responsibility rests with the Minister.

Q.—I know it does, but this was a glaringly bad bargain, wasn't it?

A.—I didn't look into that feature of it, sir.

Q.—Well, par of exchange, you knew these were selling away below par in London?

A.—I didn't know what arrangement the Minister had made.

Q.—But the order-in-council said par and par of exchange, which certainly meant a bad bargain for the Province.

A.—Well, I don't know anything about that. There were several matters—

Q.—That doesn't affect the price?

A.—I did not consider these.

A.—Didn't you look at the London quotation?

A.—I did not.

Q.—Didn't you look at what the Bank of Montreal were buying them?

A.—No, sir.

MR. CLARKE: You were not buying at all. It was the Minister?

A.—Yes, sir.

MR. PRICE: On the same voucher here I see you have computed the amount of the first deal?

A.—Yes.

Q.—This deal was made, order-in-council was on the 10th and the money was paid out by cheque on the 11th?

A.—Yes, sir.

Q.—The cheque is here for the 11th, \$101,004.41, was paid out on the 11th?

A.—Yes, sir.

Q.—And who is it that received the cheque according to the voucher there?

A.—The Provincial—it is signed here, "Received above cheque, February 11th, Provincial Securities Co., by C. E. Snyder, it looks to me.

Q.—By C. E. S. Well, it looked according to that as if Snyder was there at the time. Do you remember Snyder?

A.—Well, I would not hand out the cheque, sir.

Q.—Well, who would hand it out?

A.—Well, it might be anybody at the counter.

Q.—Just explain for the benefit of the Committee how vouchers of this kind are completed?

A.—Well, the stock would be presented at the counter. Any one of the number of clerks might take it. It would be handed to the chief clerk for computation, preparation of the statement for the voucher, and come to me for signature. I would sign it. It would then go on through to the Audit Office, be checked, and back again, cheques drawn, sent to the Audit Office again, back again, and then might go through a dozen hands.

MR. CURRIE: Do you mean to tell me stock was handed in at the wicket by somebody?

A.—That was the usual custom.

Q.—It was delivered at your bankers?

A.—No, sir, delivered in the Department.

Q.—At the wicket?

A.—At the wicket in the Department.

Q.—Do you remember who delivered it?

A.—No, sir, I don't.

MR. PRICE: So that from the voucher it would be pretty hard to tell who handed out the cheque?

A.—There is nothing on this to show who handed it out, sir.

Q.—But it is quite certain that the cheque was handed out over the counter?

A.—That is the usual stamp that goes on when cheques are handed out over the counter.

Q.—So that, now let the Committee understand, when the order-in-council was passed on the 10th to buy 50,600 pounds of stock as mentioned, that on the 11th the voucher was passed, that is, the 11th of February, and cheque handed out over the counter to someone who signs here, Provincial Securities Co., by C. E. S. That is right?

A.—Yes, sir.

THE CHAIRMAN: I see other correspondence bears the stamp from the Department office showing the date and hour at which it is received. There does not seem to be any stamp on this undated letter at all?

A.—No, sir.

Q.—Why was not this stamped the way these others are? I draw your attention to this letter, which shows the hour, date and minute it was received?

A.—That was received in the Minister's office, sir.

Q.—This does not bear any stamp at all?

A.—No, sir.

Q.—Does that mean it was not received in the Minister's office?

A.—It does not necessarily mean that, sir.

Q.—What does it mean, if anything?

A.—Well, the stamp was put on by the Minister's secretary when it comes through the mail. This, I cannot say how this came.

Q.—It doesn't seem to have gone through the Departmental routine?

A.—I don't think so.

MR. CURRIE: It looks as though it was handed in to the Minister?

A.—It looks that way, sir.

Q.—The custom is that all letters are taken in and opened by the clerk and a time clock put on them?

A.—Yes, sir, usually.

Q.—In the Minister's department also?

A.—Well, the Minister's mail goes to him personally.

THE CHAIRMAN: This one showed it was received in the Treasury Department, Minister's office, at 9 a.m. on a certain date; that one there is nothing.

MR. CURRIE: If that was handed in to the Minister it would not have a stamp on it?

A.—No, sir.

Q.—Some one handed it in to the Minister and it didn't go through ordinary routine?

A.—That is the inference; that is all I can say.

Q.—It would not be written afterwards and hooked on to the order-in-council without any date or anything?

A.—I cannot tell you, sir.

Q.—We have had some notes and things like that. I remember we had a

note the other night that had to be dated back. You are sure that is the original letter that was hooked on to that voucher?

A.—To the best of my knowledge, yes.

Q.—You haven't put a mark or anything on it yourself?

A.—No, sir.

MR. PRICE: When do you see the cheques back after they are cashed?

A.—I don't see them.

Q.—Where do they go?

A.—They go into the bank, messenger collects them and they come back to the Department, and handed to the Audit Office for purposes of checking.

Q.—When did you first see this cheque of \$101,000?

A.—Not until quite recently, sir.

Q.—Look at that and just tell us how that was endorsed?

A.—This is endorsed for deposit to credit of Provincial Securities Co.

Q.—Where was it deposited? Where does it show it was deposited?

A.—It was marked here Bank of Toronto, cleared February 12th, and on the front, the Canadian Bank of Commerce; that is, it was drawn on the Canadian Bank of Commerce.

Q.—Drawn Bank of Commerce, cleared at the Bank of Toronto. That is, you drew it on the Canadian Bank of Commerce and it was deposited in the Bank of Toronto?

A.—Apparently from the endorsation, sir.

Q.—Was not there enough suspicion about this transaction for you to get these cheques and look into them, Mr. Mathews?

A.—No, sir.

Q.—It didn't occur to you that this was a suspicious transaction that needed consideration?

A.—Never for a moment, sir.

Q.—When did you think it became a suspicious transaction?

A.—Only when I heard some question raised about it.

Q.—When I asked you to look into it?

A.—Yes, sir.

Q.—And you looked up these cheques?

A.—Well, the Department officials picked them out.

Q.—Following this contract we have another voucher, voucher 11616, comprising a sale of 4,000 pounds and a cheque for \$21,771.47. Can you tell me who received that cheque?

A.—That cheque was mailed, sir.

Q.—Where are there instructions to mail that cheque? Where do you see instructions to mail?

A.—Written here, at the bottom, in pencil, "send cheque to Bank of Toronto, corner King and Bay."

Q.—Now what did you do? Would you mail it or deliver it down.

A.—That is marked on the record mailed.

Q.—Tell us whether that cheque is endorsed or how it was handled?

A.—It is endorsed, placed to credit of payee in Bank of Toronto, Toronto, endorsement guaranteed by Bank of Toronto, Toronto, J. W. Husband, Manager, and it has the Bank of Toronto stamp on it, on March 31st.

Q.—You still have no endorsement that would disclose who the Provincial Securities were?

A.—No, sir.

Q.—That is on March 22nd.

THE CHAIRMAN: On that first cheque, although signed Provincial Securities, there is no personal signature, no officer signed it at all?

A.—No, sir.

Q.—No name connected with the Company?

A.—No, sir.

Q.—And it is not an incorporated company, is it?

A.—Well, I have been told it isn't.

Q.—Who was that last cheque payable to?

MR. PRICE: All payable to the Provincial Securities, every cheque we have produced.

Q.—This was on the Bank of Hamilton, dated March 22nd, to the Provincial Securities Co., and the endorsement was guaranteed by the Bank of Toronto, the Bank of Toronto having done all the banking for this Provincial Securities Company.

Now the third cheque was dated April 15th, is in voucher 13317. It is drawn on the Royal Bank of Canada, to the Provincial Securities Company, \$49,546.54. Now how was that cheque signed and how is it endorsed?

A.—It was marked mailed on April 15th, and the cheque is endorsed with the Bank of Toronto, Toronto, stamp, cleared April 16th, 1921, 3rd teller.

Q.—Bank of Toronto.

A.—Yes, sir.

Q.—The letter along with the Provincial Securities Company, they have made enough money to get a printed letter-head, but still 106 Mail & Empire Building is written in, typewritten, and the letter reads:

Provincial Treasurer, Toronto,

Dear Sir:—

I enclose you herewith certificate for 10,000 pounds, Province of Ontario stock, 1947, together with proper power of attorney attached.

We also enclose account for \$49,546.65 and ask that you send cheque to the Bank of Toronto, Bay and King Streets, for our credit.

MR. PRICE: Mr. Chairman, you will notice that up to date we have not had any endorsement of any kind that discloses who was in the Company.

MR. CURRIE: That first cheque is endorsed deposited to the Provincial Securities; the second is the same, and the guarantee of the signature is by the bank.

THE CHAIRMAN: The bank did not guarantee the first one.

MR. CURRIE: But it did the others.

Q.—Was the procedure in this second, that you sent the cheque down to the bank and—

A.—No, the stock would be presented to the Department first.

Q.—Handed in to the Department?

A.—Yes, sir.

Q.—And the man would go off without a cheque?

A.—Probably he took a receipt for it, I don't know.

MR. PRICE: Well, it says in the letter it was sent up.

Then the next voucher, 15688, provides for cheque of \$7,063.52, drawn on the Standard Bank, dated May 11th, Provincial Securities Co. Now, how was that dealt with? Who received the cheque and how was the cheque endorsed?

A.—The Departmental stamp says the cheque was received by the Pro

vincial Securities, per G. M. Wehrle. The cheque is endorsed, "placed to credit of payee, in Bank of Toronto, Toronto, endorsement guaranteed by Bank of Toronto, Toronto, J. Husband."

MR. CURRIE: Are these accompanied with the customary order-in-council also?

MR. PRICE: No, one order-in-council.

MR. CURRIE: One covered them all?

A.—Yes, sir.

Q.—Who prepared that order-in-council?

A.—I don't know, sir.

Q.—You didn't prepare the order-in-council?

A.—No, sir.

Q.—It may have been Mr. Bulmer?

A.—No, probably Mr. White, the solicitor.

MR. PRICE: The order-in-council is generally prepared by the solicitor. He has told me he has prepared them on instructions from the Minister.

Q.—Here is a cheque on voucher 9746, March 2nd, cheque for \$50,287.67, on the Royal Bank of Canada, Provincial Securities Co. Now who received that cheque and what was the endorsement?

A.—The Departmental stamp says it was—I can't make out this initial here. It was received by some initial.

Q.—What date?

A.—March 2nd.

Q.—The same date as the cheque?

A.—Yes, sir.

Q.—And the cheque is endorsed Provincial Securities Co., Charles E. Snyder, per attorney, George Harris.

THE CHAIRMAN: Company or corporation?

A.—Company, sir, it looks like.

MR. CURRIE: Attorney?

A.—Attorney, yes, sir.

MR. PRICE: Now, I see there is a memo in this file. What does that memo mean? Just read the memo and explain it?

A.—\$50,000, 3½, 1936; \$50,287.67, 1st of January, 60 day, Adelaide 4310, Mr. Snyder.

Q.—What would you take from that? Is that memo of yours?

A.—Yes, it is my writing.

Q.—What does that mean?

A.—I assume it is a memorandum of this transaction.

Q.—What is the telephone?

A.—I cannot explain it. It is there.

Q.—Have you tried to look up and find out who that telephone belongs to?

A.—No, sir, I have not.

Q.—Did you telephone to the Mail Building to this Company, Provincial Securities Company?

A.—Well, I cannot remember, sir, whether I did or not. This is three years ago.

Q.—If you telephoned down there who would you expect to get or who would answer the phone?

A.—I don't know, sir. It says there, Mr. Snyder, the note I made.

Q.—But you did not know Snyder?

A.—No, sir, I did not.

Q.—Did not know he had anything to do with this?

A.—No, sir, I didn't know him.

Q.—You notice he signs his name Charles Snyder in the first instance and now it is C. E. Snyder?

A.—I hadn't noticed.

Q.—Well, notice it now. That is Charles E. Snyder endorsed on the cheque?

A.—Yes, sir, it is.

Q.—And his first letter, when he signed the printed letter-head, is Charles Snyder?

A.—Yes, sir.

Q.—Did you notice the difference in the signature or the peculiarity of the signatures?

A.—No, sir, the cheques would not come back until a month afterwards.

Q.—Well, on March 23rd we have another voucher, 11431, dated March 23rd, for \$32,381. Now, who got that cheque and how was it endorsed?

A.—The Departmental stamp says that Mr. Harris received the cheque on March 23rd and the endorsement on the cheque is Provincial Securities Co., per Charles Snyder, by attorney, George Harris.

Q.—It is not Charles E. Snyder that time?

A.—No, sir.

Q.—Where do you find that the cheque was given to this George Harris? He must have received that over the counter?

A.—Yes, sir.

Q.—It must have been in the Department hands?

A.—Yes, sir.

MR. CURRIE: Have you anybody in the Department that is in the habit of receiving these securities? Is it a certain wicket they are handed in at?

A.—Yes, usually with the chief clerk.

Q.—Chief clerk?

A.—Yes, sir.

Q.—And Mr. Douglas doesn't remember seeing this man?

A.—Well, Douglas is not always there.

Q.—Who would be there when he isn't?

A.—Any one of the clerks might take it in.

THE CHAIRMAN: This cheque was handed out the day of issue?

A.—Yes, sir.

Q.—Dated 23rd and received by Harris in the Department on the same day?

A.—Yes, sir.

Q.—How long would it take that cheque to go through ordinarily after an account went in?

A.—Just depends. It has to go through a number of hands. It might be half an hour or an hour. It might be fifteen minutes; it just depends whether all the clerks are there who have to handle it.

Q.—Is this stock bearer stock or is it—

A.—No.

Q.—Is the holder of the stock registered?

A.—Inscribed stock.

Q.—Names of the holders of the stock are all given—

MR. PRICE: We have Mr. Harris, we will get that later.

Q.—Here is another voucher, May 11th, cheque on the Standard Bank, Provincial Securities, \$20,247.39. Who received that cheque?

A.—It is received by Provincial Securities, G. M. Werhle.

Q.—How do you spell it?

A. Werhle.

Q.—Do you recollect anybody of that name?

A.—I would not necessarily see him at all.

Q.—How was the cheque endorsed?

A.—Cheque endorsed, placed to credit of payee, Bank of Toronto, Toronto, endorsement guaranteed by Bank of Toronto, Mr. Husband, manager.

Q.—Voucher 16346, May 18th, 1921, for \$12,155.73, Provincial Securities Company, drawn Bank of Toronto. Who received that?

A.—That was delivered by the messenger to the Department.

Q.—Where?

Q.—Instructions in the letter requested that we forward cheque for the above amount to the Manager, Bank of Toronto, instructing him to place the amount to the credit of this Company.

THE CHAIRMAN: And the endorsement?

A.—Is the same as before—place to the credit—

Q.—Any name?

A.—No name, just bank manager.

Q.—Voucher 11016, with a cheque for \$100,000 drawn on the Royal Bank of Canada, March 17th, 1921, in favour of the Provincial Securities Co., and also attached to the same voucher, cheque March 17th, 1921, Provincial Securities Co., for \$15,012.66, drawn on the Bank of Nova Scotia, making a total of \$115,012.66. Those two cheques, who received them, and how are they endorsed?

A.—They were received by the Provincial Securities and initialled—I can't make out—

MR. PRICE: It looks like J. S. H.

A.—I cannot make out the initial.

Q.—There are two cheques, distinguish them?

A.—Well, the Nova Scotia was endorsed, deposit to credit of Provincial Securities Co., Charles Snyder, per Attorney, G. Harris, and the Royal Bank cheque was endorsed, deposit to credit of Provincial Securities Co., Charles Snyder, by Attorney, Mr. Harris. I cannot make his initials out.

MR. CURRIE: I don't want to bother you, but might you for the benefit of this Committee tell us what that endorsement meant, by attorney. Didn't that mean that there was a power of attorney deposited with the Bank of Toronto—

A.—I don't know.

Q.—Well, that is the custom?

A.—I don't know what is the custom.

Q.—You don't know?

A.—No.

Q.—Do you, as Deputy Treasurer of this Province, want this Committee to believe that you don't know that, that there would have to be a power of attorney in the bank before the man could ever purchase—

A.—I have had no occasion to deal with that, sir.

MR. PRICE: On March 15th there was a further voucher, 10900, showing

a cheque for \$28,319.12 in favour of Provincial Securities and drawn on the Standard Bank of Canada. Who received that cheque?

A.—It was received, an initial I cannot make out. It looks like G. R.—it looks like an "H" the last initial, and it was endorsed, "place to the credit of payee in the Bank of Toronto, endorsement guaranteed, Bank of Toronto, Mr. Husband, manager."

Q.—I see on June 20th, voucher 19704, cheque for \$24,014.87, drawn in favour of Provincial Securities Co., on the Canadian Bank of Commerce, will you tell us who endorsed that and who received it?

A.—It was received by an initial, I cannot make it out, J. O. R., it looks like, and it is endorsed, Provincial Securities Co., Charles Snyder, by Attorney, G. Harris.

Q.—The last voucher is 20350, cheque dated June 28th, 1921, in favour of Provincial Securities Co., for \$311.76, and drawn on the Royal Bank of Canada. Who received that?

A.—This is marked, delivered on June 28th.

Q.—Well, who was it delivered to? Any record of who delivered it?

A.—No, sir. There is no record here. It might have been delivered by the bank messenger on his rounds; endorsed in the same way by the manager of the bank.

MR. PRICE: I was going to suggest that Mr. Mathews be open for examination; there is a great deal more detail here, but I don't want to burden the Committee with it because I would like to call Mr. Harris next to explain this transaction, but Mr. Mathews can be open now for examination by anyone else.

MR. NESBITT: What percentage of the bonds bought were not Succession Tax Free at all?

A.—As far as I know, these were all Succession Duty Free, sir.

MR. NESBITT: As far as you know?

A.—As far as I know, they were all, sir.

MR. NESBITT: May I ask the Treasurer—if I am not going too far, I would like to know, for my own information, was none of these bonds not Succession Duty Free at all?

MR. PRICE: A great many of the bonds were bought that were not Succession Duty Free, that were the first issue of $3\frac{1}{2}$ bought by Jarvis & Co., and they were not Succession Duty Free. They were not in this lot, but these bonds bought here were Succession Duty Free, but they were subject to English death duties.

MR. NESBITT: What was paid for them?

MR. PRICE: Well, various rates. They were taken in at par and the Bank of Montreal was buying them anywhere from 69 to 75, and we were buying them in at par.

MR. NESBITT: And we were buying them at par?

MR. PRICE: And we were buying them at par.

MR. NESBITT: We were buying them in at par. Have you any idea of the amount of the loss?

MR. PRICE: Yes, the loss on the purchase of 42,850 pounds, approximately \$250,000, was \$51,181.85, that is if the Province had bought them in London the same as the Bank of Montreal were doing for the Sinking Fund we would not have lost that money. I don't know what Harris was buying them for.

Q.—That was only on one lot?

MR. PRICE: Oh yes, this is only Provincial securities.

MR. KEEFER: What are the duties of a Deputy in the Ontario Government?

A.—As far as I know, sir, to do what he is told.

Q.—Has he no duty to advise?

A.—No, sir, I don't think a deputy advises unless he is asked.

Q.—In any way?

A.—No, sir.

Q.—Doesn't advise or help his Minister as regards financial transactions?

A.—If he is asked, yes.

Q.—Well, before an order-in-council is put through, is he not usually asked?

A.—No, sir.

Q.—Not in any way?

A.—Only occasionally, possibly if the Minister chooses to do so.

Q.—And supposing the Deputy sees something going through that does not appear to be good business transaction, would not that Deputy feel it is up to himself to advise his Minister?

A.—If he was asked, I should say.

Q.—Would not he feel it his duty to do so?

A.—If he knew there was something wrong, or thought.

Q.—But if you didn't think the thing was a sound transaction for the Province? You are there as a trusted official. Would you not conceive it to be your duty to notice something in which the interests of the Province were being sacrificed, don't you think you should call the Minister's attention to it?

A.—Well, if you so considered it, yes.

Q.—You would feel that to be your duty. Why didn't you do so in this matter?

A.—I didn't look into the matter at all. I had an order-in-council.

Q.—You saw an order-in-council approving of this?

A.—Yes, sir.

Q.—You are Deputy Minister of Finance?

A.—Yes, sir.

Q.—You must know what these securities are valued at on the market?

A.—I did not consider the matter at all, sir, when there was an order-in-council.

Q.—You are not answering my question. You must have known what these bonds were worth on the market?

A.—I didn't take the trouble to look, sir.

Q.—You must have known without?

A.—In a general way.

Q.—In a general way you would know the general value of any bonds of the Province of Ontario. Well, you would know if there was a discrepancy between 69 and 100, you would know without any one asking you to look it up?

A.—I suppose I should.

Q.—You should have noticed this transaction?

A.—I did not look into it at all.

Q.—You should have noticed it with the general knowledge you had?

A.—The Minister conducted the negotiations.

Q.—That is not my question. You should have noticed it?

MR. CLARKE: How long have you been Assistant Treasurer?

A.—Since September, 1920.

Q.—In the Treasury Department before that for some years?

A.—Yes.

Q.—What position did you hold?

A.—Minister's secretary.

Q.—And since 1920 that would be, so you were appointed under this last Government?

A.—Yes.

Q.—Did you have any idea that if you did speak to the Minister in connection with this matter that it might have some bearing on this matter?

A.—Yes, I did.

MR. GRAVES: That is the way to tell it. You just felt if you interfered with the Minister you might be told you would not be wanted?

A.—I thought I would be questioning the Minister's judgment.

MEMBER: What Minister do you refer to?

A.—I was Minister's secretary for three or four years, sir.

Q.—Who last?

A.—Hon. Peter Smith.

MR. GRAVES: I think, Mr. Mathews, what the Committee want to know is what you assumed. You assumed if you interfered you would not be wanted?

A.—That is the way I regarded it, sir. It was none of my business.

Q.—And you did not want to make it any of your business?

A.—No, sir.

MR. CURRIE: When were you secretary to the Hon. Peter Smith?

A.—Up until September, 1920.

Q.—And then you became Assistant Treasurer?

A.—Yes, Assistant Treasurer.

Q.—What was the first thing you knew of this transaction, when they fired this order-in-council at you?

A.—Yes, sir.

Q.—Don't you take an oath of office here when you take over a position of that kind?

A.—Yes.

Q.—What did that oath describe that you should do?

A.—I cannot remember.

Q.—That you would guard the Province and its interests and that sort of thing, the same as we members?

A.—I don't know what it is now.

Q.—Do you have to take anything of that kind?

A.—I did take some oath.

Q.—Well now, when you found that the first bunch of bonds passed over, did you take any mental note that there was something being done there?

A.—No, sir.

Q.—That there was something doing?

A.—No, sir.

Q.—So that when the second lot came around and they brought in an order-in-council for you, you didn't go and tell the Minister?

THE CHAIRMAN: One order-in-council.

MR. CURRIE: Above transactions authorized by order-in-council January 29th, 1921, and by order-in-council February 10th, 1921, and 22nd; there were three orders-in-council.

MR. PRICE: It was a recapitulation in July of all the previous ones.

MR. THOMPSON: How many 3 per cent. bonds were sold for 69, were purchased by this Province at \$100?

THE CHAIRMAN: None of these were $3\frac{1}{2}$. These were all 4, $4\frac{1}{2}$.

THE CHAIRMAN: I notice all these twelve or thirteen cheques were handed out the very day on which they bear date. I find every one of these cheques were handed out by the Department, either by delivery or your messenger or received by the man calling for them, on the very day they bear date?

A.—Yes.

Q.—That is unusual?

A.—No, sir, that is the usual thing when stock or bonds is presented; we always give them cheque the day it is presented.

Q.—These transactions involved approximately a quarter of a million; as far as I can see, there was no agreement with this Provincial Securities Company of any kind?

A.—Not that I know of.

Q.—Nothing on record on their part agreeing to sell or the Department agreeing to buy?

A.—Beyond their letters.

Q.—There is no letter covering the deal, that undated letter; is there any agreement in the Department between this Company and the Department?

A.—Not that I know of.

MR. CURRIE: I believe Mr. Mathews is subject to be recalled on this. I think we had better get all the preliminary on this. You read the name of Harris on this cheque. Did you know Mr. Harris?

A.—I had met him, yes, sir.

Q.—When did you meet him first?

A.—A number of years ago; I cannot remember.

Q.—Did you meet him about this time when putting these transactions through?

A.—I think I did.

Q.—Did you know him previous?

A.—I can't say I did. I am not positive on that point.

Q.—You never met Snyder?

A.—Not to my recollection.

Q.—Were not you interested in knowing, putting hundreds of thousands through?

A.—Not when I had the order-in-council and the directions of the Minister, sir.

Q.—You took that as your order?

A.—Yes, sir.

MR. HANEY: I understood you to say par meant 100?

A.—Yes.

Q.—And the expression par of exchange meant $\$4.86\frac{2}{3}$?

A.—Yes, sir.

Q.—That was, before the war, the value of the pound sterling?

A.—Yes, sir.

Q.—So that the order-in-council that was passed by the Drury administration, where they used the expression par and par of exchange, meant that the Government or your Department was to purchase these Succession Duty Free bonds at \$100 figured at the former par of exchange, $\$4.86\frac{2}{3}$?

A.—Yes, sir.

Q.—Now what was the date, Mr. Chairman, of that order-in-council?

THE CHAIRMAN: Tenth of February.

MR. HANEY: Had any of these Succession Duty Free bonds up until that time already been purchased?

A.—Oh yes, there had been a lot of purchases.

Q.—What price had been paid prior to that?

A.—It is a matter of record. I haven't it here.

Q.—Can you say from memory whether the terms of payment, of price, was any different?

A.—It would be, yes, sir.

Q.—Then from your knowledge of finances could you say in a word whether the price that had been paid formerly was less than the express clause, "for par and par of exchange"?

A.—It was less, sir.

Q.—Then it is a fact then that before this order-in-council the Succession Duty Free bonds could be procured for less amount than \$100 a share at \$4.86?

A.—They were bought before on a lower basis.

Q.—And you, as Deputy Minister of the Department, knew that to be a fact?

A.—Well, everybody knew it.

Q.—You knew it?

A.—Yes.

Q.—The Minister in charge of your Department knew it?

A.—Well, two or three previous purchases—

Q.—Didn't every financial man in Canada know the pound was not then standing at 4.86 $\frac{2}{3}$?

A.—Oh yes.

THE CHAIRMAN: It varied from 4.25, 4.43, in this period. The first one was 4.40.

Q.—Then were there to your knowledge any other purchases of Succession Duty Free bonds other than those authorized by this order-in-council?

A.—Before or after?

Q.—After?

A.—Yes, others were purchased.

Q.—Were they purchased on any other basis on this basis of par?

A.—Various bases.

Q.—Do you know whether any rate was ever paid higher to any other party or parties than the rate paid to the Provincial Securities?

A.—Yes. Higher rates were paid later.

Q.—After what time, can you tell?

A.—Not at that time, but later on; I cannot say when, months or years.

Q.—Can you say offhand when the final transaction took place with the Provincial Securities?

A.—Well, it is here.

Q.—You do not know, as a matter of fact, at the moment?

A.—I can refer to it, sir.

Q.—But the purchases by your Minister obviously caused an increase in the price of these bonds? That is the fact?

A.—Well, some were bought less afterwards.

Q.—But isn't it a fact that, looking over the purchases, prices gradually mounted all over the purchase period?

A.—They went up and down.

Q.—Let me try to put it this way. The moment the order-in-council was passed whereby the Government agreed to purchase from the Provincial Securities at par, which was 100 per bond and par of exchange, which was the full rate before the war, 4.86 $\frac{2}{3}$, the people to whom that contract was made, Provincial Securities, were in a position to step out and buy at any price they could, knowing always they could sell to the Provincial Government of the day these bonds at par and par of exchange?

A.—Well, they would have to take a chance on getting that price, because we paid less afterwards.

Q.—But is it not a fact that the order-in-council itself authorized the Government to purchase at that figure?

A.—Yes.

Q.—Then these people knew when they went out and bought they could always get par and par of exchange?

A.—But we did not always pay par and par of exchange for it after that.

Q.—The agreement with the Provincial Securities was that they would be paid par and par of exchange?

A.—According to the order-in-council, yes, sir.

Q.—Do you know how many different signatures the alleged Charles Snyder signed?

A.—No, sir, I don't know any one of the signatures.

MR. CLARKE: It was guaranteed by the bank, so I don't think it makes any difference.

MR. HANEY: And you say you have never met Charles Snyder?

A.—Not to my knowledge, I haven't, no, sir.

MR. CURRIE: How long before this transaction was it since you were appointed Assistant Treasurer?

A.—Well, I was appointed in September, 1920, and this took place, the large transaction, in February 11th, 1921.

Q.—About four months, that is all. You had only been on your present position about four months?

A.—That is about all.

Q.—You have heard the evidence of the preceding witness about the Bank of Montreal and know the transactions personally?

A.—No. I didn't look into them. Mr. Douglas looked them up.

Q.—But you knew at that time, you were Treasurer, you must have known what purchases were made?

A.—No, I don't think I did.

Q.—You didn't pay any attention to the price of the purchase for the sinking fund at all?

A.—No. The amounts are signed for each half-year and we don't know what price they have been purchased until probably some time afterwards when the certifications come out from England.

Q.—Do you get any quotation from the bank at all, daily quotation?

A.—No, sir. There is nothing in the Department.

MR. DOHERTY: This order-in-council is dated 10th February, 1921, purchase of these Succession Duty Free bonds from Provincial Securities. Had this matter been discussed by you and the Treasurer before this order-in-council had been passed?

A.—Not that I can recollect at all, sir.

Q.—I don't mean this particular transaction. I don't mean the buying of this particular block or two blocks of stock, but the whole question of the buying in of the Succession Duty Free bonds?

A.—Yes, I have talked it over with the Minister.

Q.—Had you or the Minister, to your knowledge, taken counsel or advice from any outside parties as to the advisability of the Government buying in this Succession Duty Free bonds?

A.—I think the Minister did, sir.

Q.—Have you produced here—unfortunately I was not here—have you produced here for the Committee a letter which was written to the Minister, and on the files of the Department, from Mr. Bradshaw?

A.—No, it has not been produced yet, sir.

Q.—Do you know of the existence of such a letter?

A.—Yes, sir.

Q.—Why has that letter not been produced?

A.—Well, I haven't been asked to produce it.

MR. PRICE: That letter is after this transaction, two months after this started. It has been produced, I read it in the House.

MR. DOHERTY: No, the letter was not read in the House.

MEMBER: What is the date of it?

MR. DOHERTY: The letter was written, I think, either in March or April.

MEMBER: What is the date of the order-in-council?

MR. PRICE: Tenth February.

MR. DOHERTY: I would like to have that letter produced.

MR. PRICE: Oh, we will produce the letter. It is the strongest argument against your contention. It is after this deal. You cannot draw a herring across this.

MR. DOHERTY: What was the recommendation of Mr. Bradshaw to the Government in the matter of the purchase, what was the maximum price he stated the Government would be justified in paying for these 3½, 4 and 4½ per cent.?

MR. GRAVES: What has that got to do with the transaction that happened before the letter.

MR. PRICE: I will produce that letter when we come along.

MR. CURRIE: They are taking these matters up in chronological order and when they come to the period of that letter you can bring it in.

MR. DOHERTY: I am going to take them up chronologically also, but a matter of fact this matter has been discussed with not only Mr. Bradshaw but with others some time before this February transaction took place, although the letter was written after this, but before the subsequent transactions took place.

MR. PRICE: That is a statement, that is not evidence.

MR. GRAVES: Mr. Mathews has said he never discussed this matter with the Minister or anybody.

THE CHAIRMAN: He has already stated he had nothing to do with the policy and did not discuss it with the Minister.

MR. DOHERTY: But he says the whole matter, the adoption of the policy of the Government of buying in these bonds, not any one transaction or any special transaction, but the whole policy, was discussed thoroughly by you and the Minister?

A.—A year before the thing had been discussed when the purchases were made in England.

THE CHAIRMAN: That is the Jarvis?

A.—Yes, sir.

MR. DOHERTY: It is the same matter.

A.—It is the same stock.

MR. PRICE: You did not have it for the Jarvis transaction, that was eight or ten months before. Why, people are not mind readers, a year ahead.

MR. DOHERTY: No, but the Government had determined on its policy.

MR. PRICE: Not on the Bradshaw letter.

MR. DOHERTY: But the matter had been discussed by the Minister with outside authorities.

Q.—When was the first issue made of Succession Duty Free bonds?

A.—Well, I think it was in 19—either 1905 or 1906 or 1907, I am not sure which, January 1st, 1906, the next one May 1st, 1909, and the last was January 1st, 1914. I am speaking of the English inscribed stock.

MR. CURRIE: Sterling bonds.

A.—Yes.

Q.—And they were all made succession duty free by a clause in the Revised Statutes?

A.—I am not sure as to the first 3½.

Q.—Well, it states there, for bonds previously issued—

A.—Well, there always had been some little doubt about it. I was not sure on the point.

Q.—These were all succession duty free in this Province?

A.—I always understood so.

Q.—You are referring to Provincial securities. They are all succession duty free?

A.—Yes, sir, I understand.

Q.—If they were possessed by a person in this Province and on the probate of their estate, if they had no estate in England, those bonds would not be subject to succession duty here nor would they be subject to death duties in England, would they?

A.—Well, I am not sure on the point of death duties in England. There have been various opinions expressed about that.

Q.—How could there be when there was no estate in England? How could they?

A.—The register is in London, England, it is a technical point I cannot speak on.

MR. GRAVES: We are not deciding the advisability of buying or selling these bonds, we are deciding why the Province did not get what they are worth.

MR. DOHERTY: We will have no difficulty deciding that.

Q.—When these bonds were issued they were issued at these low rates of interest because of the fact that they were succession—

MR. KEEFER: What on earth has this got to do with it? Mr. Doherty comes in after everybody is through.

MR. PRICE: We have confined ourselves to Provincial securities.

MR. SINCLAIR: As I understand, Mr. Mathews will be here and it will be fair to Mr. Doherty after he reads the evidence which is taken and to those of us who have been sitting here—we can see Mr. Doherty's difficulty in examining.

THE CHAIRMAN: Nobody wants to shut Mr. Doherty off; he is not a solicitor.

George Harris called; sworn; examined by Hon. W. H. Price, K.C.

Q.—What business are you engaged in?

A.—Bond business.

Q.—What is your full name?

A.—George R.

Q.—Have you always been engaged in the bond business?

A.—No, sir.

Q.—What were you in before that?

A.—I was in the Royal Bank staff twelve years.

Q.—At what point were you for the Royal Bank?

A.—Well, I was in the Traders Bank in the first place—Ripley, Windsor, North Bay, Toronto and Dundas.

Q.—Was Dundas your last place?

A.—Yes, sir.

Q.—How long were you in Toronto?

A.—Possibly—

Q.—Were you at the head office here?

A.—Yes, sir.

Q.—How many years were you at Dundas?

A.—Three years.

Q.—I suppose that is where you met our friend Mr. Biggs?

A.—That is where I met Mr. Biggs.

Q.—You are well acquainted with Mr. Biggs?

A.—I know him.

Q.—Well, you know him well, don't you?

A.—His family is very well known in Dundas and all around the country.

Q.—Do you know him well?

A.—Very well.

Q.—Did he do business with your bank?

A.—No, sir.

Q.—What years were you in Dundas?

A.—Thirteen, fourteen, fifteen, and part of sixteen.

Q.—Then when did you go into the bond business?

A.—Sixteen, no, seventeen.

Q.—What was your firm that year?

A.—Morgan, Dean & Co.

Q.—How long did you carry on under that name? Was that in Hamilton?

A.—In Hamilton.

Q.—Had you Toronto offices?

A.—No, sir.

Q.—How long did you carry on under that name?

A.—I really cannot tell you, it might have been six months.

Q.—What was your next?

A.—Morgan, Dean, Harris & Co.

Q.—Still in Hamilton?

A.—Yes, sir.

Q.—And what followed that? I am trying to get down to Brownings, Harris, Northey & Co.?

A.—After Morgan, Dean, Harris & Co., we formed Morgan, Dean, Harris & Mulveney.

Q.—Still in Hamilton?

A.—Yes, sir.

Q.—What year was that in, Morgan, Dean, Harris & Mulveney?

A.—1920.

Q.—And that was succeeded in 1920 by Browning, Harris, Northey & Co.?

A.—Yes, sir.

Q.—I understand Mr. Browning is your father-in-law?

A.—Yes, sir.

Q.—And latterly you incorporated your firm?

A.—Yes, sir.

Q.—It was Browning, Harris, Northey & Co. in 1921. Now what year did you incorporate as a limited company?

A.—Last year.

Q.—1923. But you had been carrying on as Browning, Harris, Northey & Co. since 1921?

A.—Yes, sir.

Q.—What was the date of your incorporation as Browning, Harris, Northey & Co.?

A.—No incorporation of Browning, Harris & Co.

Q.—What is your firm? Browning, Harris, Denman & Co., Limited?

A.—Yes, sir.

Q.—What was the date of your incorporation?

A.—I think it was September or October of last year.

Q.—You have been doing some business, then, apparently with the Provincial Government?

A.—Yes, sir.

Q.—And you did business latterly with the Provincial Government under Browning, Harris, Northey & Co., and your present firm?

A.—Yes, sir.

Q.—And in 1921 you were in touch with the Treasury Department when you got in touch with Mr. Smith on these bonds. How was it you happened to make this deal with him or get in touch with him?

A.—How do you mean, how was it?

Q.—Well, was anyone present when, we will say Mr. Biggs, introduced you to Mr. Smith?

A.—No, sir.

Q.—No one present?

A.—No, sir.

Q.—When was that interview?

A.—Some time in February, 1921.

Q.—Where did the interview take place?

A.—In Mr. Smith's office.

Q.—Mr. Biggs and Mr. Smith and who else?

A.—Mr. Biggs was not there.

Q.—I asked you was anyone present?

A.—I told you no, sir.

MR. DOHERTY: You put that in his mouth.

A.—You are insinuating I said he was there.

MR. PRICE: Did you bear a letter of introduction from Mr. Biggs?

A.—No, sir, I did not.

Q.—Did you know Mr. Smith for a period of years?

A.—No, sir.

Q.—How did you get acquainted with him?

A.—I met him when I went up to see him.

Q.—You had never met him before?

A.—No, sir.

Q.—You just walked in to sell bonds?

A.—Yes, sir.

Q.—You had been in an organized firm in the city of Hamilton at that time?

A.—A disorganized firm.

Q.—A disorganized firm?

A.—Yes.

Q.—No branch in the city of Toronto?

A.—No, sir.

Q.—Because you had a disorganized firm you thought that was a good chance to sell bonds to the Province?

A.—No.

Q.—Well, what was it? You said it was not organized, it was disorganized?

A.—It didn't necessarily follow it was a good chance to sell bonds to the Province.

Q.—You went up at that time to sell them to the Province?

A.—Quite so.

Q.—Well, at any rate you had a disorganized firm. We have your word, and you went up to meet Mr. Smith. Now do you mean to tell me that, coming from Dundas and knowing Mr. Biggs, you did not get a letter of introduction to Mr. Smith?

A.—I certainly do mean to tell you.

Q.—Well, who did introduce you to Mr. Smith?

A.—Nobody introduced me. I introduced myself.

Q.—Was there any letter of introduction?

A.—No, sir.

Q.—Well, who telephoned Mr. Smith you were coming?

A.—Nobody telephoned Mr. Smith I was coming.

Q.—You just took a notion one day you would walk up and see Mr. Smith?

A.—Yes.

Q.—You thought you could make some money out of the Province and you would go up and see him?

A.—I thought if anybody was selling bonds to the Province there was no reason why I should not sell some myself if I could.

Q.—Do you remember the time you landed up to see Mr. Smith to sell bonds?

A.—Oh, I remember vaguely.

Q.—In the morning or afternoon?

A.—I cannot tell you.

Q.—Was it on the 11th day of February, or the 10th, when this order-in-council was passed?

A.—I have no idea.

Q.—Well, I haven't any doubt—

A.—Neither have I. I cannot remember away back.

Q.—You are on oath, you know.

A.—But I can't go into things that happened three years ago.

Q.—I am asking you the question and you must have some idea when you went up to see Mr. Smith. Was it on the 10th day, or the 11th, or 8th, or how long before, or was it the same day?

A.—I have no idea, it was not the same day.

Q.—Twenty-four hours before?

A.—Yes, it must have been.

A.—Possibly more; I cannot tell you. I don't remember.

Q.—Was it you who wrote this fancy letter without a printed head. Was it you wrote that?

A.—Yes, sir, it was.

Q.—You typed that out?

A.—Yes, sir.

Q.—You are the Ethiopian in the woodpile?

A.—Whatever that is.

Q.—Well, it is an old expression. Is there any reason why that letter would not be dated?

A.—Merely an oversight, sir.

MR. KEEFER: How long before you closed the deal was that letter written?

MR. PRICE: He says it must have been twenty-four hours, or probably a little more.

MR. KEEFER: How long before he closed the deal did he write that letter?

MR. PRICE: When you went up to see Mr. Smith did you have this letter written?

A.—No, sir.

Q.—Well, what was your talk to Mr. Smith when you went in to see him?

A.—As far as I remember I asked him if he was buying any more bonds.

Q.—Did you tell him the prices?

A.—No, sir.

Q.—You did not mention price?

A.—No, sir.

Q.—Did you tell him you would have to sell them at par?

A.—No, sir.

Q.—Did you tell him you would have to sell them at par of exchange?

A.—No, sir.

Q.—What was your deal?

A.—My deal was approved of according to my letter afterwards.

Q.—That was the deal of the order-in-council?

A.—I don't know anything about orders-in-council at all.

Q.—It is what the Department worked on.

A.—That is up to the Department, not to me. I don't know anything about it.

Q.—It is what your letter says here, par of exchange with accrued interest?

A.—Exactly, my letter was written afterwards.

Q.—Did you make a deal with Mr. Smith when you were in?

A.—No, sir.

Q.—What did he say?

A.—He said he would be interested in receiving offerings for the bonds.

Q.—He said he would be interested in offerings. Did he tell you to go away and make an offer?

A.—No, sir.

MR. NESBITT: Would you ask him how he knew these bonds were being purchased by the Government when they were not being advertised?

MR. PRICE: We are interested to know what took place between you and Mr. Smith?

A.—I told you all that took place.

MR. PRICE: You haven't told us anything. What was the position? Here was a man that did not know Mr. Smith, that had never met Mr. Smith, had no introduction, walked into him and said he would like to sell him some bonds and Mr. Smith said he was interested, is that right?

A.—I asked Mr. Smith if he was receiving offerings in bonds. He said he would be interested in receiving any offerings from anybody.

Q.—Particularly from you?

A.—No, sir.

Q.—Well then when you left Mr. Smith's office you had no concrete agreement with him?

A.—No, sir.

Q.—Did you walk out to see Mr. Mathews and talk with him?

A.—No, sir.

Q.—Did you know him?

A.—No, sir.

Q.—Hadn't met him before?

A.—Never knew Mr. Mathews was in the Treasury Department.

Q.—He says he knew you before. He said here a while ago he thought he knew you before this deal?

A.—He might have.

Q.—He didn't?

A.—No, sir.

Q.—The man you were dealing with was Smith, and did you tell him you were going to sell the stock yourself?

A.—No, sir.

Q.—Who you were acting for?

A.—I didn't tell him.

Q.—Who you were acting for? Did you go in there and say George R. Harris wants to sell you?

A.—No, sir.

Q.—I gave the secretary my card and was taken into his private office and what happened—

A.—I have already told you. I asked him whether he was interested in receiving offers and he said he was.

Q.—Did you go in there to sell him under George R. Harris or Brownjohn Northey or Provincial Securities? Be frank with the Committee, there is no use sidestepping?

A.—I went in under the Provincial Securities.

Q.—Did you tell him that?

A.—No, sir.

Q.—Did he ask you who was going to sell them?

A.—No, sir.

Q.—You went in for Provincial Securities, what was Provincial Securities at that time?

A.—What was it? It was a company I was forming.

Q.—You said you had your office in Hamilton, and no office in Toronto?

A.—Yes, sir.

Q.—And you decided just at this minute that the Province was good meat, you would form this little company?

A.—Not necessarily that minute.

Q.—Well was it before or afterwards?

A.—It might have been a week before.

Q.—You had it in your mind then?

A.—I had it in mind a good many weeks before.

Q.—You were digging trenches up here and came up well provided. Well then you went back and wrote this letter. Is that your signature, Charles Snyder?

A.—Yes, sir.

Q.—You wrote the Charles Snyder?

A.—Yes, sir.

Q.—Are your signatures on all of these documents?

A.—I don't know.

Q.—I will take you over them and soon find out. Provincial Securities, Charles Snyder. Do you mean to say you would write that without putting a date on it, send it up here, a business man?

A.—I told you it was inadvertently omitted.

Q.—You seem to remember about inadvertencies, but little else?

A.—I don't remember anything about days.

Q.—You are not trying to remember very much. Did you take this letter up to Mr. Smith yourself?

A.—No, sir.

Q.—Who took it up?

A.—I don't know whether it was taken up or mailed.

Q.—Did it go to Mr. Smith?

A.—I cannot say.

Q.—It is addressed to the Provincial Treasurer.

A.—Naturally it would be addressed to the Treasurer.

Q.—Some are addressed to the Assistant?

A.—That is after I met him.

Q.—All the correspondence is not—

A.—Well, that is—

Q.—Remember you are on oath.

A.—These are the first dealings I had.

Q.—If you are going to swear to things, swear what is the truth?

A.—I am.

Q.—It was not all to the Provincial Treasurer. Your last letters are to the Assistant Treasurer?

A.—That may be. I cannot remember.

Q.—Well, don't swear positively.

Q.—You cannot tell whether you took these up?

A.—No, sir.

Q.—Did you take it up before the 11th?

A.—I cannot tell you.

Q.—On the 10th?

A.—I can't tell you.

Q.—Well, let us get to your company, this Provincial Securities that is, how did you decide you would organize that?

A.—How did I decide?

Q.—How did you organize it?

A.—In the usual manner.

Q.—It was not in the usual manner?

A.—It was the usual manner as far as I was concerned.

Q.—What did you do? What is the usual manner?

A.—I simply got Mr. Snyder.

Q.—You got Mr. Snyder?

A.—I didn't say I got him, Snyder agreed with me to form it.

Q.—Who is Snyder?

A.—Mr. Snyder? that question has been asked a good many times. Mr. Snyder is, I don't know whether he is living in Toronto, but he is a clerk in my brother's office in 106 Mail and Empire Building.

Q.—How long had you known Snyder before this?

A.—Oh, one or two months.

Q.—He was working for your brother?

A.—Yes.

Q.—What was your brother's business?

A.—He has an office there manufacturing sectional houses.

Q.—And what was Snyder doing?

A.—He was a clerk and draughtsman.

Q.—How much was he getting a week?

A.—I can't tell you.

Q.—He was working there, employed by manufacturers at 106 Mail and Empire Building?

A.—Yes, sir.

Q.—Was it 106?

A.—As far as I remember.

Q.—Is that where you constituted this company, 106?

A.—Yes, sir.

Q.—106 Mail and Empire Building?

A.—Yes, sir.

Q.—And what did you pay Mr. Snyder?

A.—What did I pay him?

Q.—What did you pay him?

A.—Salary?

Q.—Yes, salary?

A.—Nothing.

Q.—Was he in the office there?

A.—Yes, sir.

Q.—Well what did he do, subsist without pay?

A.—He was there in my brother's office. He was doing things for me.

Q.—What was he doing for your brother?

A.—Clerk and draughtsman.

Q.—And what work did he do for you?

A.—Not very much; looked after some banking transactions.

Q.—What age was Snyder at that time?

A.—I don't know. Twenty-four, twenty-five, twenty-six possibly.

Q.—Oh come on, twenty years then, wasn't he?

A.—I have no idea.

Q.—Was he about twenty years of age?

A.—He might be; he might be twenty-five.

Q.—A pretty young looking fellow?

A.—He was a young looking fellow.

Q.—A great chap to put up here as Provincial Securities Company. What did you want to hide yourself for?

A.—I didn't hide myself.

Q.—What did you want to hide for behind a clerk in your brother's office?

A.—I was not.

Q.—What did you do it for?

A.—Matter of convenience to myself.

Q.—Well, we will just consider that idea of convenience. What did you say to Snyder when you wanted him to go into this company?

A.—The actual words I don't know.

Q.—You approached Snyder; I didn't. You are the man that arranged this. What did you say to Snyder when you wanted him to go into this company?

A.—I didn't say very much; asked him to sign some documents, that is all.

Q.—What did he sign?

A.—Some documents for the bank.

Q.—What were they, do you know?

A.—Yes, I remember vaguely what there was; ordinary bank's form waiver of protest, power of attorney for myself, non-trading partnership agreement, think that is all.

Q.—What was this, was it a partnership you had?

A.—No, sir.

Q.—Well, you traded under the Provincial Securities Company name?

A.—Yes, sir.

Q.—Who was the Provincial Securities Company?

A.—Well, according to the form Mr. Snyder signed it was Charles Snyder.

Q.—Charles Snyder was Provincial Securities Company and he gave you power of attorney. Where did he sign this power of attorney?

A.—I presume he signed it down in the office.

Q.—106 Mail Building?

A.—Yes, sir.

Q.—Or did he sign it at the bank?

A.—I cannot tell you.

Q.—Did you go to the bank?

A.—I cannot tell.

Q.—Did you take him to the bank?

A.—I cannot remember.

Q.—Would you remember whether you took Snyder to the bank and signed the power of attorney over there?

A.—No, because if I had to have the forms signed by the manager it would make no difference as long as you had them at the bank.

Q.—Then only certain things favourable to yourself you can always remember. Have you got any documents to produce now that Snyder signed?

A.—No, sir.

Q.—Where are they?

A.—I assume at the Bank of Toronto.

Q.—If we asked the Bank of Toronto?

A.—It is up to the bank.

Q.—You had the power of attorney. Did Snyder get any of the profits out of this?

A.—Nothing outside of what I gave him.

Q.—What did you give him?

A.—I cannot remember.

Q.—You cannot remember any profit he got out of it?

A.—I know I paid him odd sums, but I cannot remember amounts.

Q.—Didn't you pay him salary?

A.—No, I didn't.

Q.—\$25 or \$30?

A.—No, I didn't.

Q.—You just gave him a little something because he enabled you to make \$50,000?

A.—He didn't enable me to make it.

Q.—You were giving him a little chance to work in?

A.—Possibly.

Q.—When you came up here to do business who was it notified you that your proposition would be accepted. You had made a proposition here by letter, this undated letter. How did you get notification that Mr. Smith had accepted your proposition?

A.—I cannot remember whether I got it from Mr. Mathews or whether by letter.

Q.—In any event you had notice that your proposition was accepted, that they were going to buy from you 50,600 pounds of 4 and 4½ stock?

A.—I must have received some sort of word or I could not have delivered it.

Q.—Having received this notification that the Department were willing to pay that, did you come up to consummate the deal?

A.—Which deal?

Q.—The first deal here, where you got \$101,004.41?

A.—I think I did.

Q.—You came up; this is quite a large transaction. Is that your signature there for the cheque?

A.—Yes, sir.

Q.—That is your signature, Provincial Securities Company, per C.E.S.?

A.—Yes, sir.

Q.—Did you bring Snyder up here at any time to sign for cheques?

A.—I might have done, I cannot remember.

Q.—Did you introduce Snyder to Mr. Mathews or Mr. Smith?

A.—No, sir.

Q.—Were you the only one who dealt with the Department, came up here to see the department?

A.—What do you mean, delivery of these securities?

Q.—These cheques?

A.—No, sir.

Q.—Who else did you send up; you didn't send Snyder?

A.—Yes, I think he came up more than once. I think the messengers in the bank came up more than once.

Q.—And I see too you notified the bank, the department, to deposit cheque in the bank—send cheques direct to the bank?

A.—Yes, sir.

Q.—Mr. Mathews says he never saw Mr. Snyder—well, Douglas says he never saw him?

A.—Douglas says he never knew Mr. Snyder. He would not know him if he did see him.

Q.—Any difference?

A.—Yes, he might have seen him and not known who he was.

Q.—You don't seem to have known many people; you knew some people you didn't see, apparently. Now we have got down to this time that you put through this \$101,000 cheque, that is a pretty nice cheque; is this your signature on the back of the cheque?

A.—Yes, sir.

Q.—“For deposit to the credit of Provincial Securities Company,” and cheque of February 11th, for \$101,004.41 which is attached to voucher 8155. Now then you got that cheque, and what did you do with the cheque?

A.—I took it down, deposited it in the Bank of Toronto.

Q.—To the credit of?

A.—Provincial Securities Company.

Q.—Had you opened an account before that?

A.—Yes, sir.

Q.—How long before that?

A.—Might have been a day before, two days before, I cannot tell you. It might have been the same day.

Q.—More likely to be the same day?

A.—Possibly, because securities—

Q.—You had not made any deposit there before, this was the very first deposit?

A.—Was it?

Q.—Well I am asking you?

A.—It was my first deposit.

Q.—Well, why didn't you say that without sidestepping?

A.—Well, you made the remark.

Q.—Well, I see there—then this account here is Provincial Securities Company, was organized for the purpose of dealing in these bonds?

A.—It was not.

Q.—Well what else did you deal in?

A.—I dealt in other bonds.

Q.—Well, we will see by your account how much you dealt, have you your bank book?

A.—I have a copy of it.

Q.—Produce it?

A.—Do you want a copy of it?

Q.—We wanted the original; well, I will get it from the manager.

A.—I have the copy I got from the manager. You can have that.

Q.—Here is this dear little cheque of \$101,000 stock up here—

A.—Right there.

Q.—And here is these big cheques of \$50,000 and \$115,000 that go a long way to make up the account, don't they. We will look over that account and check them up with the deposits, with the cheques here. All of these cheques, Mr. Harris, that you took down there, all of these dealings with the bank, you deposited them in the Bank of Toronto to the credit of the Provincial Securities Company?

A.—They were all put in the bank.

Q.—And they all went through that one?

A.—Yes, sir.

Q.—Mr. Harris produces his account marked as Exhibit 44, account in the Bank of Toronto.

Now when you opened this account, started in on the account, you had agreed, or you had made an offer here, and the Province agreed to buy 15,200 4 per cent. inscribed stock and 32,400 4½ per cent.? That is correct?

A.—I think so, Mr. Price.

Q.—The Province had agreed to buy that. Did you have this stock in your possession when you offered them to the Province?

A.—Did I have them in my possession? Do you mean did I own them?

Q.—Did you own the stock when you offered them to the Province?

A.—I owned them inasmuch as I had the option of buying them.

Q.—From whom did you get the option of buying them?

A.—I bought some of the stock from the Canada Life. I bought some from the Manufacturers Life, I don't know who the rest was from.

Q.—You bought some from the Canada Life and some from the Manufacturers Life. How much did you buy from the Canada Life?

A.—I think it was 12,000 some odd pounds.

Q.—12,400 pounds?

A.—Yes.

Q.—From the Canada Life. And how much from the Manufacturers Life?

A.—8,000, I think.

Q.—8,000 from the Manufacturers, and from Paul Rogers Fleming, 4,000?

A.—Well, I presume that would be Kerr, Fleming & Company.

Q.—Yes, it is in the name of Paul Kerr, Fleming, and then you bought 4,000?

A.—Yes, sir.

Q.—That is altogether, 2,400, 8,000 and 4,000, making 24,600?

A.—Yes, sir.

Q.—What did you buy these, or what time did you buy these?

A.—It may have been a week before. I cannot tell you, Mr. Price, I cannot remember.

Q.—When you came up to see Mr. Smith that time to offer him stock did you have an option on this stuff, the Canada Life and the Manufacturers Life and the Fleming Company?

A.—I cannot tell you about the Fleming stock, but I was told by both the Manufacturers Life and the Canada Life that they would sell their stock to me under certain conditions.

Q.—Now what were the conditions?

A.—That I pay them their book value for them.

Q.—Well now, what was their book value, Mr. Harris?

A.—Well, I presume it would be the price that I paid them. I think it was 92 in one case and 80 something in the other.

Q.—From the Canada Life you bought it, just let us settle this one point when you came up here to Mr. Smith to sell this stock or to offer him stock, did you have the option on this or did you not?

A.—If you mean by option that I had the right to buy it, yes. Well the option I had was the right to buy it. I was given to understand I could get it

Q.—You went to the Canada Life and ascertained you could buy this stock at their book value?

A.—Yes, sir.

Q.—And then went to the Manufacturers Life and found you could buy it at their book value?

A.—Yes, sir.

Q.—And with this other 20,000 pounds of stock cinched as it were you went up to the Minister to sell it to him?

A.—If I could.

Q.—If you could?

A.—Yes, sir.

Q.—And you could? You did?

A.—Yes, sir.

Q.—Well, you could. And you bought it at, I see here, looking at the report of the Superintendent of Insurance for 1921, on page 119, abstract of statement of valuator, that you bought from the Canada Life $4\frac{1}{2}$ per cent. 1945 and 1965 stock, the par value was 60,346, and you bought it at, the value in their account, that they held it at, was 50,815, and you paid them \$55,145.33?

A.—And what was their book account?

Q.—You paid them \$5,000 higher than they carried it in their book?

A.—Well there is only one inference; I paid them too much.

Q.—What is \$5,000 among friends?

A.—I cannot explain that.

Q.—Didn't you know that this stock, you could buy this stock much cheaper on the London market?

A.—No, sir, not at that time.

Q.—You could have bought this stock much cheaper on the London market?

A.—That all may be true, but it doesn't follow I knew it.

Q.—You are a bond merchant?

A.—These are the first transactions I ever did on the Province of Ontario free from succession duty.

Q.—I thought you were a bond man. So you let the Canada Life put it over you for \$5,000?

A.—This is my first intimation they had done so.

Q.—You might have made \$5,000 more from Mr. Smith?

A.—I wish I had.

Q.—Now you paid 91.38, that is the order for 55,145.33, at 91.38; that is what you paid for that stock. Then you walked up and sold it to the Treasurer at 100?

A.—It was sold to the Treasurer at 100.

Q.—At par of exchange?

A.—Yes, sir.

Q.—And you made 9.43?

A.—8.43.

Q.—8.43 points, and you did not put up a cent yourself?

A.—No, sir, why should I?

Q.—You are just as good a business man as Mr. Ridout?

A.—He is a pretty good one.

Q.—And on that little transaction you could have made, if you had bought sharply, as no doubt Mr. Ridout would, you should have made \$12,000?

A.—No, not at all, Mr. Price, because if I had gone to the London market to buy that stock I would never have got it at that price.

Q.—You would have had to put up real money?

A.—No, sir, not a cent up. Another thing, if that kind of stock was bought in the London market you would shove the price up.

Q.—The Government bought a good deal and they did shove the price up, and they bought a good deal more than \$10,000?

A.—That is \$60,000.

Q.—Well, Manufacturers Life, you had some arrangement with them?

A.—As far as I remember with them.

Q.—This was on February 11th, the records show you bought from that on February 11th, on the same day—

A.—It was paid for the same day.

Q.—You got the money from the Province and you went right down and paid them?

A.—No, sir, I paid them and then got the money from the Province.

Q.—How did you handle them? You put the cheque in the account the same day?

Q.—Yes, sir.

Q.—You got the cheque from the Province and then you issued a cheque for the stock and the stock came up here—a little ring around a rosy?

A.—No, sir, Canada Life and Manufacturers would not deliver that stock until I paid them first and after I bought it I paid for it.

Q.—Where did you get the money?

A.—At the Bank of Hamilton.

Q.—How did they know it was going there, did you tell them the circumstances?

A.—Naturally.

Q.—You told them the circumstances?

A.—I told them the bonds I bought were sold.

MR. CURRIE: Did they have custody of these bonds, the Bank of Toronto all the time until they were delivered?

A.—No, sir.

Q.—Did they send their messenger over to get the bonds? These bonds are like money and somebody would run away with them between here and the Canada Life. Who had custody from the time the Canada Life—you say the Canada Life would not give you the bonds without the money, is that right?

A.—Yes, sir.

Q.—How did the bank, did they send a messenger with you?

A.—The banks do these things.

Q.—What did they do?

A.—I don't know whether a messenger went in this particular case.

Q.—Didn't finance—

A.—I am telling you this; I am not sure whether Mr. Skeitch gave me these cheques and I marked them or the messenger went with me, it is usual to do—

Q.—Can you mark a cheque without any account?

A.—If the security is sufficient.

Q.—Well, did he do it?

A.—I am not certain whether a messenger was with me or not.

Q.—But somebody gives you a marked cheque on the Bank of Toronto

What would have happened if you had walked down and taken a train with these bonds in your pocket?

THE CHAIRMAN: The amount doesn't show it at all.

MR. PRICE: I think we understand that. It was all on the run.

MR. CURRIE: Did they give you the cheque here first?

A.—No, sir.

Q.—Sure of that?

A.—I am positive of it.

Q.—Well, the transaction is one that I am not surprised at anything.

MR. PRICE: In the Manufacturers Life case you bought that at 85.29, you paid \$34,040. You made a profit, a good profit on this, 17.23 points?

A.—Where does the 17 come in? I paid that for it, that would be only 14.71.

Q.—Yes, but it is that much here, a general profit on the whole thing of 17.23. On February 11th you paid \$34,040.10 to the Manufacturers Life now, and you came up here and got \$39,906.66, and made a profit of \$5,866.56.

MEMBER: How many points?

MR. PRICE: That is the profit on that, the points would be 14.41 points.

MR. JAMIESON: Are you taking into consideration the exchange?

A.—No, that is actual profit. If Harris had bought the way the Bank of Montreal did, he could have made a great deal more. But he paid high prices to both of these companies.

Q.—Now, Mr. Harris, you said you were working under the Provincial Securities Company. Now is that how you bought this stock from the Canada Life and the Manufacturers Life?

A.—You mean did I tell Mr. Winters and Mr. Saunders I was acting for the Provincial Securities?

Q.—Yes?

A.—Not that I remember.

Q.—How did you make an offer?

A.—Simply presented my card and asked them.

Q.—What was the card marked, Morgan, Dean & Company?

A.—Yes, sir.

Q.—Then it was Morgan, Dean & Company bought?

A.—No, it was my card with Morgan, Dean on it.

Q.—Well, it says here in the return that Morgan, Dean, Harris & Company bought the stock from the Canada Life? What have you got to say to that?

A.—Well, I presume Mr. Winters and Mr. Saunders understood they were selling to Morgan, Dean.

Q.—You presented the card?

A.—I suppose.

Q.—How did they get Morgan, Dean & Company in this report if you didn't present a card?

A.—I did present a card for them.

Q.—Well, you didn't present a card for the Provincial Securities?

A.—Didn't have any.

Q.—This mushroom company didn't have any time. You wanted to put something over first. You were out to organize a new company and you had this in your mind and the whole thing was rushed through. Why didn't you say you were representing Provincial Securities Company?

A.—It didn't dawn on me. It wasn't necessary.

Q.—What did you tell Mr. Smith you were representing Provincial Securities

for? You told Mr. Smith so. You said you were representing Provincial Securities Company. Now, Mr. Harris, isn't this a fact that you bought these in the name of Morgan, Dean & Company, and when you went to sell it you sold it to the Province under Provincial Securities?

A.—No, sir.

Q.—You wouldn't want to let them know, or the bond men know that you were putting that over?

A.—Anything you put over the bond men you have got to go some.

Q.—Well, I think I will agree with you, but what was your object?

A.—Well, Mr. Price, I have already told you the firm I was connected with was very much disorganized at that time.

Q.—But it was a good enough firm to buy from the Manufacturers Life and the Canada Life. Wasn't it a good enough firm to sell?

A.—They were practically discontinued doing business at that time.

Q.—But the Provincial Securities wasn't organized then?

A.—It was in the course of organization.

Q.—Well, it never had much organization, did it?

A.—Very little.

Q.—Then, Mr. Harris, we will go along a little further. Now had you any other stock lined up when you went up to see the Treasurer? When you went up to see the Treasurer did you have any other stock lined up you could sell him?

A.—I don't know whether I had it exactly lined up. I think I had been negotiating for some.

Q.—You were negotiating for some?

A.—I think.

Q.—Well then you went along until June; you organized this company in May; you went along until June. Did you register this company?

A.—The Provincial Securities?

Q.—Yes?

A.—No, sir.

Q.—You didn't register this company with the Registrar of Deeds or the County Court Clerk?

A.—No, sir.

Q.—It was not a registered entity any place?

A.—No, sir; except at the Bank of Toronto.

Q.—Well, that is a good place to have it organized?

A.—To have it registered.

Q.—Did you have it organized as a limited company at any time?

A.—No, sir.

Q.—Did you intend to have it organized as a limited company?

A.—No, sir, not that I am aware of.

Q.—Well you went along, how long did you operate?

A.—As the Provincial Securities?

Q.—Yes?

A.—I think there were transactions took place for two or three months after that one.

Q.—Let us see these transactions. Is this your signature on Voucher 11616?

A.—I think it is.

Q.—Is this yours too?

A.—Yes, sir.

Q.—This first Charles Snyder is pretty nicely written signature. Charles Snyder here, you took some time about that?

A.—Ordinary writing.

Q.—Well, I don't know. This is the first one, the Charles Snyder. See what a nice one it is; and this is the next one here.

MEMBER: Who wrote this?

MR. PRICE: He wrote them both.

Q.—I was not sure, Mr. Harris, you were such a good writer, because later on these signatures look a little different?

A.—Perhaps I was using different pens.

Q.—Well, at any rate it is your signature, and this is another one?

A.—Yes, sir.

Q.—Did you have power of attorney for Snyder to sign his name?

A.—I had a power of attorney with Mr. Snyder, certainly.

Q.—Did you have a power of attorney only at the bank or did you have it for the Provincial Securities?

A.—Whatever the bank forms covered; I don't know what it covered.

Q.—The only power of attorney you had at all was at the bank?

A.—Yes, sir.

Q.—For the purpose of endorsing cheques there?

A.—Not necessarily. I don't know what was in the power of attorney.

Q.—What else?

A.—Well it is a long document; I don't know what is in it.

Q.—You didn't have any partnership agreement at your office?

A.—No, sir.

Q.—No power of attorney there?

A.—No, sir.

Q.—Did you say to Snyder, I am going to sign your name to letters?

A.—No, sir.

Q.—Did he think you were going to?

A.—I don't know what he thought

Q.—Did you think you have power to sign Snyder's name to all these?

A.—I would not have signed them if I had not thought so.

Q.—Did you ever go under the name of Snyder?

A.—No, sir.

Q.—When you were a boy?

A.—Not that I am aware.

Q.—Have you any relation by the name of Snyder?

A.—I don't think so.

Q.—By marriage?

A.—Not that I am aware of.

Q.—All of these signatures, I may say, are Charles Snyder, but quite a lot of variety, and when I looked at them I thought they were by different parties, but apparently Mr. Snyder—I am going to check them up to see if he signed them.

A.—There is C.S., and my own initial underneath it.

Q.—Yes, that is all right. Now is this G. M. Wehrle that received the cheque?

A.—No, I did.

Q.—Well, it is Provincial Securities per G. M. Wehrle?

A.—I don't know who it is.

MEMBER: Would it be the bank messenger?

MR. PRICE: No, no. Here is the Provincial Securities per G. M. Wehrle, and Mr. Harris says he doesn't know who he is.

Well, that is a rather remarkable thing, someone came up and got that cheque, signed for Provincial Securities, G. M. Wehrle?

A.—I have no idea, Mr. Price, unless it is somebody from the bank. I have no idea.

Q.—Would you take a note of that and see who it would be that could do that, because it is rather important, because we want to know who signs on this cheque?

A.—Mr. Skief, the Manager of the Bank of Toronto, might verify that.

Q.—On May 2nd we have another voucher here, is this your signature, received cheque?

A.—Yes.

Q.—Is that G?

A.—My own initials.

Q.—G.R.H. That is quite correct. And when it comes to endorsing this cheque for \$50,000 you endorse Provincial Securities, Charles E. Snyder. How did you get that E. in that time?

A.—That is the man's name. I suppose I just put it in.

Q.—It was not his name when you started business?

A.—Perhaps I found out afterwards he had a E., I don't know.

Q.—Well, of course, you could stick an E. in a man's name any time; but that is your signature, Provincial Securities, Charles E. Snyder. How did you square that at the bank if the power of attorney was Charles Snyder?

A.—The bank must have been satisfied or they would not have accepted the endorsement.

Q.—That is your writing?

A.—That is my writing.

Q.—We have Mr. Charles Snyder and Charles E., and all one writing, and on March 23rd you got a cheque for \$32,000, you signed for it?

A.—Yes sir.

Q.—And at the bank—we will see if he has an E. in it or just Charles this time?

A.—Yes, sir.

Q.—By attorney, George E. Harris; is that your signature?

A.—Yes, sir.

Q.—That is your writing?

A.—Yes, sir.

Q.—We haven't struck any place yet but what you have done any writing. Snyder was not doing anything in this company?

A.—Not very much.

Q.—And here is another cheque for \$20,000, Provincial Securities, G. M. Wehrle. Now, Mr. Harris, this is rather a serious thing; do you mean to say someone could come up here and get a cheque for the Provincial Securities and sign for it and you don't know who it is?

A.—Well, Mr. Price, I don't know any more than you do who G. M. Wehrle is.

Q.—I suppose you had partners in this little financial deal of yours?

A.—In the Provincial thing?

Q.—Yes?

A.—No, sir.

Q.—How many partners?

A.—I had no partners.

Q.—Come, confess?

A.—But I had no partners, I was the only one in this. I might suggest that might have been the stenographer in my brother's office. It might be possible that Mr. Snyder sent her up with the documents, I cannot tell; that would have to be verified.

Q.—Did you have power of attorney from her?

A.—This is her signature, Mr. Douglas demanded somebody sign these receipts.

Q.—Is that yours?

A.—Yes.

Q.—Is this yours, Charles Snyder?

A.—Yes.

Q.—You are getting a little more careful, you put an initial in?

A.—Getting a little more used to it.

Q.—And is this your initial?

A.—C. S.? I assume.

Q.—You wrote all these letters?

A.—Yes, sir.

Q.—Did your brother write any?

A.—I didn't write them all.

Q.—I mean you dictated them?

A.—Yes.

Q.—Would Snyder write them?

A.—No, sir.

Q.—Was he a stenographer?

A.—Not that I know of.

Q.—He only was a draughtsman. You drew the cheques and he drew the profits.

On May 17th there are two cheques and these are one for \$100,000, the other or \$15,000, is there endorsement on the cheque?

A.—Yes, sir.

Q.—Credit Provincial Securities Company, Charles Snyder, by attorney, G. R. Harris?

A.—Yes, sir.

Q.—And one for \$15,012.66. Deposit credit Provincial Securities, Charles Snyder, by attorney, Harris. Is that your initial? Did you receive that?

A.—Yes, sir; my initials.

Q.—You came up for that \$115,000?

A.—That was the big one.

Q.—And this also is your initial?

Q.—Is that \$28,309.12, and this one for \$24,148.81, that is your endorsement?

A.—Yes, sir.

Q.—Provincial Securities, Charles Snyder by attorney, G. R. Harris; is that your initial receiving it?

A.—Yes, sir.

Q.—And is this your letter, your signature, dated on June 17th?

A.—Yes.

Q.—Then we have this one, June 28th, 1921, for \$4,311.76. And is that your letter?

A.—Yes.

Q.—Written June 25th?

A.—There are my initials.

Q.—Well, all of these we have here you have written all the letters and endorsed all the cheques?

A.—I don't think I endorsed all of the cheques, some have the stamps on them.

Q.—Well, any cheques that were endorsed were endorsed by you. Some were sent on direct to the bank for deposit and accepted by the Bank of Toronto. Then is it fair to say that you wrote all the Snyder letters? Just look over this file here, and see if you wrote all those letters, and I will identify that later?

A.—Yes, these are all—

Q.—These are all yours?

A.—Yes, sir.

Q.—That is Exhibit 42, all the letters in 42; all the letters in these various files and cheques were either signed or endorsed by you, were they per endorsements?

A.—Yes, I think so.

Q.—There is something very peculiar about a lot of these cheques; that doesn't show it was deposited, that cheque on June 28th, that it was deposited in any account; you are a banker?

A.—Oh yes it does. It says place to the credit of payee; the payee is the Provincial Securities.

Q.—Well, that was placed to the credit of the Provincial Securities?

A.—Banks accept these stamps, that is if the company is satisfactory.

Q.—What did you have to do to get the bank to accept that? Why didn't you do it in the first place?

A.—That is only the stamp the bank uses for any account no matter what it is. If it is a cheque comes in for endorsement and not endorsed they put that on.

Q.—All these amounts were placed to the credit of Provincial Securities?

A.—Yes.

Q.—Every one you got from the Government?

A.—Yes.

Q.—Through your account, where you produce your copy of your account; all went through this?

A.—I presume they did. I haven't checked it over, but I think it did.

Q.—I want to know did you put any of these cheques in any other account?

A.—No, sir.

Q.—Well, then they went all through this?

A.—Naturally.

Q.—Not naturally.

A.—There was only one account and that was where they went.

Q.—Why didn't you say that? You were three or four months doing business and then you decided you would not use this company any more? You don't use this company now?

A.—No, sir.

Q.—You went out of business. Do you remember when you went out of business?

A.—Provincial Securities?

Q.—Yes, when did you go out of business?

A.—When the last order was received from the Government and I knew there was no more.

Q.—Then when the last order received from the Government was filled you went out of business?

A.—Well, we filled the last order as far as I remember.

Q.—Well, I thought you were doing business with other people. Why did you go out of business then?

A.—You are talking about my transactions.

Q.—I am talking about what you are talking about, Provincial Securities, after the last order?

A.—Out of business. Naturally when the last transaction took place we were through.

Q.—With the Government you said?

A.—I assume that is correct.

Q.—Why, of course it is correct. Don't hedge about it. Because I knew you went out of business. You know you went out of business. All the difference is now the public know you went out of business?

A.—They knew anyway.

Q.—They should have gone out of business, as the Chairman said, before you started and saved the Province a lot of money. Can you explain this voucher, August 19th, 1921; explain this?

A.—As far as I remember this, I think, a letter was received from Mr. Mathews claiming the dividend on some of the stocks that were ex-dividend which Mr. Mathews paid us the interest on and on which we also received the interest from the people that we bought the stock from; naturally there was a refund coming to the Province which had to be turned over.

Q.—Well, who gave the refund?

A.—The refund was given by Browning, Harris, Northey & Company.

Q.—Why Browning, Harris, Northey & Company, when Provincial Securities were dealing?

A.—Simply because at that time Browning, Harris, Northey & Company had collected the amounts in for the Provincial Securities.

Q.—Was Provincial Securities doing business at that time?

A.—No.

Q.—They had gone out of business?

A.—Browning, Harris, Northey had gone—were doing business.

Q.—Provincial Securities had gone out of business, and the cheque came from Browning?

A.—There was a draft on London which we bought.

Q.—Instead of Provincial Securities Company offering to make that repayment, Browning, Harris & Northey did?

A.—Browning, Harris & Northey, we claimed interest from the people and turned it over to the Provincial Government.

Q.—Why didn't Provincial Securities claim interest?

A.—It was not necessary.

Q.—It was Provincial Securities stock?

A.—Well, as long as Mathews received a cheque for the interest he claimed, that was—

Q.—Oh it didn't make any difference to the Province, except it showed you were the real people who were doing business?

A.—Oh not at all.

Q.—I will put this in as an exhibit, August 19, 1921—Exhibit 41.

EXHIBIT 41

August 19th, 1921.

Browning, Harris, Northey & Company,
Investment Bankers,
801-802 Bank of Hamilton Building.

The Assistant Provincial Treasurer,
Parliament Buildings,
Toronto, Ont.

Dear Sir;

Referring to your letter of June 9th, addressed to the Provincial Securities Company, Toronto, we beg to enclose you herewith at their request, drafts on London, England, for 362:16 pounds, which please acknowledge receipt.

Yours very truly,

Browning, Harris, Northey & Company.
Per G. R. Harris.

And being received in the Department October 6th, being repaid for Provincial Securities after they had gone out of business. Exhibit 41.

Q.—Now we have not touched the stock you bought from Kerr, Fleming. What did you pay for that?

A.—I think it was something over 85-86. I forget what the prices were. What difference does it make what price I paid—

Q.—Just answer the question. You paid them about 85 or 86 and sold to the Province at 100. Kerr, Fleming are brokers down town?

A.—Yes, sir.

Q.—Doing business here, and you bought stock from the brokers at 85 to 86 and walked up to the Province and sold at 100 and made 14 points; that is right, isn't it?

A.—It was sold, I made the 14.

Q.—Kerr, Fleming were asleep, weren't they? you did pretty well in the brokerage business after all for a greenhorn.

HON. CHARLES MCCREA: Mr. Harris, in this letter to the Provincial Treasurer, dated from 106 Mail Building, Toronto, and having no date, which reads as follows:—

With reference to the outstanding bonds stock of the Province of Ontario which are free from Succession Duties we beg to offer you the following: 18,200 pounds, 4 per cent., inscribed stock, 1st of May, 1947; 32,400 pounds, 4½, inscribed stock, 1st of January, 1945, the above two blocks of stock are offered to you at par with payment by you at par of exchange, with interest accrued to date of delivery.

We can deliver the following on Friday of this week; 8,200 pounds, 4 per cent., 1947; 12,400, 4½, 1965.

The balance we can deliver as soon as proper powers of attorney are delivered to us. We would request that you advise us at the above address if our proposition is one that could be accepted by you.

Yours truly,

Provincial Securities,
Charles Snyder.

Q.—How long after that letter was delivered to the Provincial Treasurer's office until you had an acceptance of it?

A.—I cannot tell you, Mr. McCrea, because I don't know when that letter was sent up.

Q.—Try and think; how long after you delivered this letter with this offer into the Provincial Treasurer's office until you were advised that your offer would be accepted?

A.—It is absolutely impossible for me to tell you because I don't remember the transaction.

Q.—Was it on the same day?

A.—I don't think so.

Q.—How long after?

A.—I can't tell you.

Q.—You are swearing to the truth?

A.—Yes, I am telling you the truth.

Q.—Did you have acceptance of this offer before you committed yourself as representing the Northey firm of Hamilton to the Manufacturers Life down town for the purchase of stock, before you bought from the Manufacturers?

A.—I think so.

Q.—And on the strength of this acceptance which you told the bank you had you bought stock from the Manufacturers?

A.—Naturally the bank would not make me the advance to buy the stock unless they knew it had been sold.

Q.—And the whole transaction was carried out practically the same day as the bank account would indicate?

A.—The bonds were paid for and delivered the same day.

Q.—The same day you got the acceptance and you had the acceptance first?

A.—The acceptance of the transaction by the Province? I cannot tell you that.

Q.—You had this acceptance from the Provincial Treasurer before you committed yourself to the purchase of the Manufacturers?

A.—Yes.

Q.—How long after you got that acceptance until you advised the bank that you had had firm acceptance from the Province and then arranged to complete the transaction with the Manufacturers?

A.—The bank were only advised when I was in a position that I wanted to take the draft to take delivery for the stock.

Q.—How long did you wait when you had a deal like that on hand until you closed it?

A.—Between the bank?

Q.—Between the time you got acceptance and the time you closed with the bank and the Manufacturers?

A.—I cannot tell you because I don't know the date that letter came up.

Q.—It looks as if it took place the same day?

A.—It might have taken place the week before, I don't know.

Q.—Well, we are sure that you had the acceptance before the bank paid over the money, so they were not taking any chances?

A.—I knew it would be accepted or they would not have taken it up.

Q.—Your bank account shows on the same day you deposited the money, \$101,004.41, the cheques were charged out to pay for these bonds to these parties you spoke of?

A.—Quite true.

Q.—Same day?

A.—Same day.

Q.—Now who was in this firm besides Snyder, Provincial Securities?

A.—As far as the bank was concerned, Mr. Snyder represented the Provincial Securities.

Q.—Who was in this firm except Snyder, if he was? Where did you come in?

A.—I had power of attorney from Snyder.

Q.—There was nobody in this firm except Snyder?

A.—No, sir.

Q.—Did you have an acknowledgment from Snyder in writing or otherwise that you were entitled to all the moneys or profits made on this deal?

A.—Not that I remember.

Q.—What do you swear?

A.—Just what I am telling you. I don't think any papers passed between Snyder and myself as to distribution of profit.

Q.—What interest had Snyder?

A.—No interest.

Q.—Who had the interest?

A.—I did.

Q.—You were really the man?

A.—Snyder, as far as the bank was concerned, signed the documents.

Q.—Snyder was the stool pigeon?

A.—Call it what you like.

Q.—What is the fact?

A.—He was simply doing something to convenience me.

Q.—And he had no interest?

A.—No.

Q.—And you did want to conceal your identity with the firm?

A.—I did not.

Q.—Who did you disclose it to except the bank?

A.—I can't remember.

Q.—Did you disclose it to anybody?

A.—Not that I am aware of?

Q.—To the bank?

A.—Absolutely.

Q.—The bank knew you were the man behind Provincial Securities?

A.—Yes.

Q.—Who were the partners of yours in the Hamilton business at that time, in the real business which you did in Hamilton?

A.—You mean—

Q.—In your firm?

A.—It was a limited company, Morgan, Dean, Harris & Mulveney.

Q.—Did you disclose to these men that you were masquerading behind the name of Provincial Securities?

A.—No, sir.

Q.—Why didn't you if they were your partners?

A.—It wasn't necessary.

Q.—You intended they should not know anything?

A.—I didn't. Our business in Hamilton was all broken up.

Q.—Still you have just told me that the firm was Morgan, Dean?

A.—That limited company.

Q.—Did you have any partners?

A.—There was the properly authorized officers of the firm which is not actively engaged in business.

Q.—Did they have an office in Hamilton?

A.—Yes, sir.

Q.—Doing business?

A.—Very little.

Q.—Doing any?

A.—Nothing to speak of.

Q.—Can't you be frank?

A.—Their business is gone; certain things took place that they were absolutely out of business, could not transact business.

Q.—None of your partners were in on this?

A.—No, sir.

Q.—And have any of your partners shared anything of the profits of this business?

A.—No, sir.

Q.—You received all of the profits?

A.—Yes, sir.

Q.—What were the total profits you had, Provincial Securities, during the period they operated?

A.—As far as I can remember, between \$25,000 and \$30,000.

Q.—And how long were they doing business?

A.—Three or four months.

Q.—And so far as the public knew, or the bank, a man named Snyder, who was a clerk in your brother's office, was Provincial Securities?

A.—Yes.

Q.—How much money did you pay Snyder?

A.—I cannot tell you, not very much.

Q.—About?

A.—Oh, three or four hundred dollars; it might not have been that much.

Q.—Did you ever introduce Mr. Snyder to Mr. Smith?

A.—No, sir.

Q.—Why.

A.—I didn't think it was necessary.

Q.—Did you ever file with the Provincial Treasurer's Department a power of attorney from Snyder as you did with the bank?

A.—No, sir.

Q.—You found it necessary to do business with the bank under power of attorney from Snyder?

A.—Naturally they demand it.

Q.—But no such questions were asked in the Provincial Treasurer's office as far as Snyder was concerned?

A.—It would not interest him in the same way.

Q.—Who signed the cheques for withdrawal of the money from this account?

A.—I signed them.

Q.—What form?

A.—How do you mean?

Q.—What form of signature?

A.—The Provincial Securities Co., Charles Snyder, per myself, attorney.

Q.—Now you have told us, Mr. Harris, that when you bought from the Manufacturers Life and the Canada Life, Fleming & Co., that as far as they understood and as the report shows, they were not dealing with the Provincial Securities, but with the firm I named, set out in the card when you called on them to purchase. Was that true of the other people you purchased bonds from?

A.—I think to a certain extent it was.

Q.—Why did you pursue that course of purchasing under one name and selling under another?

A.—Well, it was more convenient for me in Hamilton at that time to transact business from Hamilton than it was to come to Toronto.

Q.—That is not my question. Why did you deem it necessary to purchase these bonds under one name and sell them to the Province of Ontario at such an advance as has been disclosed under another name?

A.—For the simple reason that I think we are recognized in Hamilton, when anybody sells bonds, when they call our firm up, they ask for me. Naturally, if they ask for me they assume they are dealing with the people at the other end. If I was buying for any firm it doesn't make any difference to the seller.

Q.—As long as they got the money?

A.—Naturally; that is all there is to it.

Q.—That prompts me to ask you again, what was the necessity of buying under one name and selling under another as an ordinary business bond broker?

A.—There was no necessity.

Q.—Why did you do it?

A.—Simply, as I told you, because the firm in Hamilton was disorganized entirely. It was my idea that time that I was simply coming to Toronto to transact business here.

Q.—They were disorganized for selling, why were not they disorganized for buying?

A.—They were disorganized for buying.

Q.—But you bought hundred of thousands of dollars of bonds in their name?

A.—No, I didn't buy that many; the whole total was only—

MEMBER: A quarter of a million.

A.—Well, those two transactions have been explained to Mr. McCrea.

MR. MCCREA: Well, total purchases were what?

A.—About half a million.

Q.—Now this firm that you have been trying to tell us that was disorganized and could not sell bonds to the Province, is organized sufficiently to buy approximately half a million dollars of bonds from other individuals. Explain to this

Committee why they are disorganized for selling but thoroughly organized for buying?

A.—The reason they were disorganized is not something the Committee is entitled to know.

MR. DOHERTY: But the firm in Hamilton, did they give their cheque in buying these bonds?

A.—No, sir.

THE CHAIRMAN: He says he presented the Hamilton firm's cards.

MEMBER: But the cheque was Provincial Securities.

MR. CURRIE: Whose cheque did you give to the Canada Life, the Provincial Securities' or the Hamilton firm's?

A.—I am not absolutely certain. There was one transaction I think that the Hamilton firm's cheque was given in payment.

Q.—Do you mean to say you got the bank— You had an account for the Provincial Securities in the bank. They gave you credit, as you said, of \$110,000 and marked these cheques. Did they mark the cheques for the Hamilton concern for you to take over to the Canada Life and the Manufacturers?

A.—No.

Q.—Whose cheques did they mark?

A.—I am only stating from memory, but as I remember, either the Canada Life or the Manufacturers Life, those documents were either sent to Hamilton or payment was made to the Bank in Toronto. I am not certain.

MR. MCCREA: So far as the vendors were concerned here, representing yourself as representing Hamilton, you would give instructions to have these houses from whom you bought send their collection to the Bank of Toronto, where you kept this account, and the Bank of Toronto would settle?

A.—Yes.

Q.—And the different vendors were under impression you were dealing through the Hamilton concern?

A.—That may have been their impression.

MEMBER: He said previously that the bank marked his cheque and he took it over and got the stock. Is that right?

A.—One way or the other. I cannot remember how it was done.

Q.—Do you keep books of accounts of the Provincial?

A.—I did keep one book.

Q.—Did you produce them here?

A.—No, I didn't.

Q.—Would it be a wrong impression for the Committee to get that Snyder and Provincial Securities were simply a blind for your operations and that name?

A.—It is a wrong impression.

Q.—What is wrong about it?

A.—This is wrong. That at that time, at the time these transactions took place, on account of the fact that the firm in Hamilton were in such a position they could not continue to do business the way they had been doing, and they had a large business, I found it necessary to consider disassociating myself with them and coming to Toronto, and it was under these conditions I was going to start business in Toronto and I could not do it immediately.

Q.—When the only business you did was with the Government on these bonds you went out of business when the bond selling stopped. You got all the profits?

A.—I found out afterwards it was not necessary. I formed a new company with one of our salesmen and continued business in Hamilton. There was no necessity of continuing in Toronto.

MR. CLARKE: Why did you carry on as Snyder? Why not under your own name?

A.—Simply as a matter of convenience to me. It was either a question of Snyder giving me a power of attorney or me giving Snyder, and I preferred to do it the other way.

Q.—Not necessary, if you were using Snyder and you trusted him you would think you would give him it. Snyder was the business and you were the boy who got the money?

A.—I was the one that had to look after the transactions.

MR. MCCREA: Why should he be in it at all? Did you divide any of this \$30,000 with your partners in Hamilton?

A.—No.

MR. CURRIE: The name of Mr. David Sykes has been used by the papers, saying he was Snyder. Did Sykes have anything to do with it?

A.—Not so far as I am aware.

Q.—Nothing whatever?

A.—I don't even know him.

MR. KEEFER: You never sold any bonds to the Government before?

A.—Before this transaction?

Q.—Yes.

A.—No, sir.

Q.—How did you get the idea of selling these particular bonds?

A.—It was just at that time, if I remember right, that the Public Accounts were dealing with the transactions that took place with Æmilius Jarvis, where the Æmilius Jarvis sold some million and a half of bonds, and that gave me the idea. In fact, I didn't know there was such a security as a provincial bond before.

Q.—And you did not meet Mr. Smith before this?

A.—No, sir.

Q.—And after getting this idea you decided to do what?

A.—Well—

Q.—Tell me what you decided to do?

A.—To try to sell some myself.

Q.—You had none at that time?

A.—No, sir.

Q.—You thought you would come to Toronto then and see whom?

A.—Mr. Smith.

Q.—You had never met him before?

A.—No, sir.

Q.—Did you ask anybody to speak to Mr. Smith about you?

A.—No, sir.

Q.—Anybody?

A.—No, sir.

Q.—You just walked in and with your card—what name, Harris or this firm?

A.—Harris.

Q.—And introduced yourself to Mr. Smith, and what did you say? What did you say to him?

A.—I have already told that.

Q.—Just give it to me. You walked into Mr. Smith's office and what did you say?

A.—I asked him if he was still considering buying provincial succession duty free bonds?

Q.—And the answer was what?

A.—He said he would be open to receive offerings.

Q.—What did you say?

A.—As far as I can remember I told him I would make him an offer.

Q.—Nothing more said?

A.—Not as far as I can remember.

Q.—Was that all the conversation?

A.—Practically all.

Q.—Were any references given to him?

A.—No, sir.

Q.—You were a stranger to him, did you give any references?

A.—No.

Q.—And you walked out?

A.—Yes.

Q.—That is all the conversation?

A.—As far as I remember.

Q.—Then you went down and prepared this letter?

A.—After that?

Q.—I suppose?

A.—Well, I don't think so, but I don't know.

Q.—Had that letter gone in before you saw Mr. Smith?

A.—No, sir.

Q.—Then you must have sent in that letter after that?

A.—It was after I saw Mr. Smith.

Q.—How long after the conversation?

A.—I cannot tell you, maybe this week or two weeks later than the day.

Q.—Then you sent in that letter and at that time you did not have any bonds, except you knew they could be bought by anybody from the Canada Life at what they were holding them in the books?

A.—I was told by Canada Life that they would sell those bonds at their book value.

Q.—And then you wrote that letter?

A.—It might have been after, I don't know how soon.

Q.—Then you got the acceptance?

A.—Yes.

Q.—In what form, a letter?

A.—I don't remember.

Q.—Well, how did you communicate?

A.—It may have been by telephone, I don't remember.

Q.—You don't know whether you got a letter or not?

A.—The way bond business is transacted—

Q.—Who phoned you?

A.—Nobody phoned me.

Q.—How did you get the information?

A.—I might have phoned up.

Q.—Who?

A.—It may have been Mr. Mathews or Mr. Smith.

Q.—After knowing that the Government would sell and getting this firm offer, then you went and bought these bonds?

A.—After my transaction was accepted then I completed my sale.

Q.—I suppose the bonds would be sent to the bank and the bank would pay for the bonds and hold the bonds?

A.—They would naturally hold them or deliver them.

Q.—Did you put through any notes?

A.—No, it was a one-day transaction. It was not necessary because it was paid for the same day.

Q.—You didn't have any money to put up—I don't blame you, I admire you for your ability. I do—

A.—Thank you.

Q.—And having gotten this money you took it all for yourself. What is the total profit?

A.—Between \$25,000 and \$30,000.

Q.—You paid over—you are on oath—none of it except to this man Snyder?

A.—Yes, sir.

Q.—That is on your oath?

A.—Yes, sir.

Q.—Directly or indirectly?

A.—Directly or indirectly.

Q.—And you got away with that money?

A.—I earned the money.

THE CHAIRMAN: You were ordered to produce all your bank books, books of accounts. You have told us that you kept a book?

A.—I kept one.

Q.—Where is it?

A.—I have no idea.

Q.—Make a note, we want it.

A.—It is not available.

Q.—Why not?

A.—I haven't seen it for two years.

Q.—Make a note that we want that. Have you your stubs?

A.—No, sir.

Q.—Where is your bank book?

A.—That is an exact copy.

Q.—Where is your pass book?

A.—I don't know where it is.

Q.—Where is your cheque book?

A.—I didn't have a cheque book.

Q.—Where are your returned cheques?

A.—I haven't seen them for two years.

Q.—Have you looked for them?

A.—Yes, I have looked for them.

Q.—You were ordered to produce them and this an order from a court?

Q.—You haven't produced them?

A.—No, sir.

Q.—Make a note, we want your cheques or we will have to know the reason why; we want your pass book. Have you any other memo or documents about this at all?

A.—No, sir.

Q.—Any correspondence?

A.—No, sir.

Q.—Make a note of that, because you swore a minute ago you got a letter from the Provincial Treasurer accepting your offer?

A.—I beg pardon.

Q.—You swore a minute ago you got a letter from the Provincial Treasurer, that you got an acceptance?

A.—I didn't swear that I—

Q.—Make a note?

A.—I said I got an acceptance but not that I got a letter.

Q.—You swear that you traded in other securities in addition to these provincial securities as Provincial Securities. What other trading did you do?

A.—Very little.

Q.—What other trading?

A.—I cannot remember my transactions four years ago.

Q.—Who did you deal with in addition to the Province?

A.—The only transactions I remember were transactions that took place with my own firm in Hamilton.

Q.—Did they go through this account?

A.—Yes.

Q.—What securities?

A.—Oh, different provincial and municipal bonds.

THE CHAIRMAN: Can you send us these cheques to-morrow?

A.—No, sir.

Q.—Why?

A.—Because I have no idea where they are.

Q.—Do you mean to say they have been destroyed?

A.—They may possibly have been destroyed.

Q.—Well, you don't go through half a million dollars of transactions and then destroy your records without some reason, do you?

A.—If I didn't see any advantage in keeping them, what is the use of keeping them.

Q.—You saw the advantage in destroying them?

A.—No, sir.

Q.—Are they destroyed?

A.—I don't know.

Q.—Surely you know?

A.—I haven't seen them in a long while.

Q.—Where were they left?

A.—Last time I saw them in Hamilton.

Q.—Where?

A.—In my own office.

Q.—And you still have that office?

A.—I still have.

Q.—And will you make a search and see if you have them?

A.—I will, but I have already tried to find them for you.

Q.—Have you any recollection of trying to destroy them?

A.—I haven't.

Q.—You didn't destroy them deliberately.

A.—No.

Q.—Then they should be in your office. You have the same office?

A.—Yes.

Q.—Same partners and everything?

A.—Yes.

Q.—And you mean to say these records are not available for this Committee?

A.—As far as I know, no.

Q.—You haven't a single one of your cheques?

A.—No, sir.

Q.—There is no way of tracing this at all? What you have given us didn't help us a bit?

A.—Well, these things happened three years ago.

Q.—That is not very long?

A.—Our business runs very much heavier.

Q.—Do you keep records of your own business?

A.—Yes. This was a private thing and I did not see the necessity of retaining them.

Q.—Did you destroy them?

A.—No, they were simply no use, and taken away.

Q.—Do you want the Committee to understand in all these dealings you didn't keep a book of account in which these were entered?

A.—There was a book kept, yes.

Q.—Which would show all the receipts and disbursements?

A.—Yes.

Q.—Distribution of the profits?

A.—It would not show that.

Q.—It would show who they went to?

A.—It was only a book I kept myself, my own memos.

Q.—It was a record?

A.—Yes.

Q.—And it would show the disposition of the profits?

A.—Yes.

Q.—We cannot have that?

A.—You can have it if I can find it.

Q.—You have all these cheques returned from the bank?

A.—Yes.

Q.—And you cannot find them?

A.—No, sir.

Q.—Nobody else would have them?

A.—I don't think so.

MEMBER: You make returns to the City of Hamilton and Dominion Government?

A.—As far as I know.

Q.—And did you show these? They were your own profit? They would not go through your firm?

A.—Well, they would go through your firm in certain ways.

Q.—How?

A.—Well, private arrangements all my own.

Q.—Well, what private arrangements did you have with your firm. You told us you had private arrangements with your own firm. What?

A.—The money might have been put in as—

Q.—Into what?

A.—Into the firm.

Q.—Was it?

A.—Some of it was.

Q.—Did you make a return of this in your income?

A.—As far as I know, it was included in the tax.

Q.—Well, you look up your triplicate of your income tax return and let us have that. You kept that?

A.—I think I can get a copy of that.

Q.—Your firm books will show some of your dealings with the Provincial Securities?

A.—Yes.

Q.—That is, your firm books have an account, Provincial Securities, let us have that. You told us you kept this Provincial Securities account so it would not be mixed up with your firm?

A.—I am talking of the new firm.

Q.—The new firm in Hamilton shows an account of yours with the Provincial Securities Corporation?

A.—Yes.

Q.—Now you will let us have that?

A.—Yes.

Q.—Are there any other records of this Provincial Securities Company?

A.—I don't know. What other records would there be?

Q.—I don't know. I never heard. I don't know how a company of this kind is conducted?

A.—I don't know what other records there could be. All the records I know are the records that are here.

Q.—But you haven't produced us a single document of any kind?

A.—If I had them I would be only too glad to do it.

Q.—You think they are gone?

A.—I don't know whether they are or not.

Q.—You will be able to find out where they are?

A.—I will be able to?

Q.—Yes.

A.—If they are available I will be glad to get them.

Q.—You don't think you have the cheques?

A.—I don't think so.

Q.—And your cheque book?

A.—I don't think there was. The blank cheques were used at the bank and I went there.

Q.—You got a cheque book?

A.—Not necessarily.

Q.—Well, did you or did you not?

A.—I don't think so.

Q.—You don't think so, but you haven't any recollection?

A.—Because I used counter cheques.

Q.—And drew money out in cash in several instances, I believe?

A.—Some of it was drawn out in cash.

Q.—Drawn out in tender?

A.—Some of it might have been.

Q.—What I understand is you went in on one or two occasions and asked for cheques to be cashed and you got the money in legal tender?

A.—The bank's own bills?

Q.—You know perfectly well what I mean. You got bank bills, or legal tender. In one case, I understand, legal tender?

A.—No, sir.

Q.—Bank bills?

A.—As far as I know the money I drew was cash.

Q.—And you cashed some of these large cheques in cash?

A.—Possibly.

Q.—For what purpose?

A.—For utilization to my own purposes.

Q.—Why not cheques?

A.—It might have been a hundred, I don't know.

Q.—I see little items, what are they?

A.—Pocket expenses.

Q.—For instances, \$50 withdrawal, do you remember?

A.—I cannot remember.

Q.—We can't get any information because you won't produce your cheques?

A.—These things happened three years ago. I cannot remember the transactions.

Q.—That was the first transaction you had?

A.—It might have been \$50 I used for myself.

Q.—You don't remember?

MR. GRAVES: You left Hamilton to come to Toronto to do this business?

A.—I didn't leave.

Q.—But you came from Hamilton to Toronto; you were in Hamilton?

A.—My business takes me to Toronto two or three times a week all the time.

Q.—About this time where did you get the information that the Canada Life and the Manufacturers Life had these bonds for sale?

A.—I didn't get the information they had them for sale.

Q.—How?

A.—In the blue books; they are all listed in the blue books.

Q.—That is where you got it?

A.—Yes, sir.

Q.—You were not informed by any person else where they were?

A.—No.

Q.—Did you find any others in the blue books?

A.—Lots of them.

Q.—But you didn't go after them?

A.—Yes.

Q.—What happened; were they gone?

A.—No, in some cases I bought them.

Q.—Only one other case?

A.—Oh no, there were other cases.

MR. PRICE: What other places did you buy?

A.—Why, some bonds came from New York, I think it was the Queen City Insurance Co.

Q.—In addition to the Provincial Securities, you transacted business with the business of Browning, Harris & Co., and over 1921, 1922 and 1923, you

transacted 222,396 pounds' worth of business and also \$564,700 in Canadian bonds, that would mean altogether that you, Browning, Harris & Co., transacted a million and a half worth of business. That is approximately right?

A.—Approximately right.

MR. CURRIE: What is Browning's initials? Who is Browning?

A.—My father-in-law.

Q.—What is his initials?

A.—A. G.

Q.—Any relation to the Browning who was appointed here?

A.—The same man.

Q.—Same man as was appointed assistant to the Attorney-General to look after the liquor business?

A.—Yes, sir.

Q.—Does he come from Alberta?

A.—Yes, sir.

Q.—I was just wondering who tipped off to you the fact that there were so many bonds lying around. Did you know they were appearing in the blue book until you saw them to-night? You saw them in the blue book to-night?

A.—Yes, sir.

Q.—If you were so wise to that, how was it you didn't know before to-night the securities were sold in the name of your Hamilton company?

A.—I suppose it never dawned on me.

Q.—You were not tipped off that you could come down and sell a lot of these bonds to Peter Smith, that he was an easy mark?

A.—I was not.

Q.—How did you find a list of these bonds?

A.—In the blue books.

Q.—What blue books?

A.—Blue books! They are at Ottawa for the returns of all the insurance companies.

Q.—Ottawa or Toronto?

A.—Ottawa, I think.

Q.—Hold on now?

A.—Well, Government blue books, wherever they come from.

Q.—You were not sure where you got them?

A.—They are all in the office.

Q.—Where did you get them from?

A.—I have no idea.

Q.—Where did you get that report from?

A.—I have no idea.

Q.—You are a very wise and clever young man; you were shown that these were shown in the blue books and you spring that?

A.—Every bond house knows exactly what the insurance company has got.

Q.—If you know so much, where is that blue book printed? You know where the Canada Almanac is printed, for—

A.—Has the Continental Life got it?

Q.—No. I confess to you I did not know they appeared in any books published before. You tell me, since you know so much, what Government publishes them?

A.—I have no idea what Government.

Q.—Well, you don't know very much about it, you are just taking a shot in the dark. When you went to see Mr. Smith what did you say?

A.—I have told twice.

Q.—Don't you think you were going a little too far. If you were going to do legitimate business with Mr. Smith, and these securities, and you could buy them at the bank, you were supposed to buy them at 91, do you think you should have asked him par? Wouldn't one point be sufficient for you?

A.—Not at all.

Q.—One point was sufficient for Mr. Wood?

A.—Look at the size of it.

Q.—You did pretty well; you got over a million and a half worth of business?

A.—Yes.

Q.—You said you haven't produced your books?

A.—I have told Mr. Finlayson—

Q.—You are going to?

A.—If they are available they will be produced.

Q.—I would advise you to produce these books. You must not think this Committee is a kind of excursion party. This Committee has all the powers of a court and some of the Committee have been suggesting that you better be held, because there is some very important facts come out here that you don't realize. Now I think you had better make up your mind to make a clean breast of this whole thing, because members of the Committee will find out before they are through with you, and what you have been doing with this money, and come here to-morrow and tell the whole thing, where you got all this money, where you spent all this, checked it out. You say you got a lot of it in currency?

A.—I didn't get a lot in currency.

Q.—You told Mr. Finlayson a while ago you got a lot?

A.—Some.

Q.—How long did it take Mr. Smith to make up his mind to pay that for the bonds?

A.—I don't know.

Q.—Had you heard down town what these bonds were selling at before you came to see Mr. Smith?

A.—No.

Q.—Who told you about the Jarvis deal?

A.—It was common knowledge in the papers, everybody knew it.

Q.—It was not in the papers a year afterwards?

A.—We knew that it happened and that put the idea in my head.

Q.—Did somebody in Jarvis' office tell you?

A.—No, no.

Q.—Well, you bring me some of the newspapers that said that, because that was not brought up until long afterwards. You did not keep straight book of account down there, did you?

A.—No.

Q.—You kept a book, though, which will show all these transactions, where these cheques went out to. You had better have that book here. Do you realize Snyder was a partner of yours?

A.—How?

Q.—You had to get power of attorney from him to transact this business.

A.—That doesn't necessarily mean he was a partner.

Q.—Who gave you that advice?

A.—I don't know. It takes two to make an agreement.

Q.—He was the principal and you were acting as attorney?

A.—That was between me and himself.

Q.—Is he available? Is he going to come before this Committee?

A.—I don't know whether he is or not.

Q.—Is he available?

THE CHAIRMAN: We are trying, we have not been able to see him.

MR. CURRIE: Is there any such a man as Snyder?

A.—Well, the *Globe* said this morning—

MR. CURRIE: What is the use, you know; do you know if there is such a man as Snyder?

A.—I told Mr. Price there was.

Q.—Where is he?

A.—I don't know.

Q.—You knew where he was when he was last here, where is he now?

A.—I don't know.

Q.—You said he was in Florida, didn't you?

A.—You knew he was a week ago.

Q.—He is coming here?

A.—I don't know.

Q.—Was he ever at the Bank of Toronto with you?

A.—Possibly.

Q.—You know very well whether he was or not; say yes or no. Does the Manager of the Bank know him?

A.—I think he does.

Q.—Because he has passed and agreed to these signatures; he knew Snyder and accepted your signature for Snyder's?

A.—He must know Snyder.

Q.—What happened to all this money you got?

A.—What happened to it?

Q.—Yes, the \$30,000? Did you hand out any of that to members of Parliament or officers?

A.—I did not.

Q.—Well, you better bring your cheques; I am going to tell you that. You didn't send any around Mr. Smith's office?

A.—No, I didn't.

Q.—How did you come to get such favourable consideration in there? Tell us about that. Absolutely a stranger and walked in and five months later walked out with a profit of \$30,000. Of course you were not the only one. Another fellow went in and made \$100,000, you walked in and put your hands in the treasury and pulled out—

A.—No.

Q.—Who told you Mr. Smith was an easy mark?

A.—I didn't know he was.

Q.—You found it out, though?

A.—I would not use that term.

Q.—Has Snyder got any relatives?

A.—I think he has.

Q.—Where are they?

A.—I don't know.

Q.—Is he any relation of yours?

A.—No, sir.

Q.—Not any relation of yours?

A.—Not at all.

Q.—You don't know the names of these people, relations?

A.—No, I don't.

Q.—How do you know he has?

A.—My brother told me he had.

Q.—Did your brother participate in this transaction at all?

A.—No.

Q.—You used his office?

A.—Yes.

Q.—Used his typewriter?

A.—Yes.

Q.—Have you got Mr. Smith's letter of acceptance or did you give it to the bank?

A.—I don't know whether I ever got a letter.

Q.—Oh, you must have something, because the bank would not give you that without some acknowledgment?

A.—Yes, they would.

Q.—They must be very kind to you?

A.—You know, Mr. Currie, that the bond business is done on faith.

Q.—Oh, some of it is. Some of it is pretty hard cash. I never saw any done on any faith; you have got to have the goods?

A.—If a bond dealer says he can deliver bonds he does it over the telephone and the written confirmation comes later.

Q.—Oh, but the bank is a different proposition; you have got to have some securities. What did you give the bank when you wanted to get these cheques marked? Mr. Smith's letter showing the transaction was completed?

A.—No.

Q.—What was the basis for the credit?

A.—No basis for any credit. Mr. Smith was told by me the bonds were sold; naturally he believed me.

Q.—You have got a hypnotic glance; you put it over Smith and the manager of the bank.

A.—No, I didn't put it over either of them.

MR. DOHERTY: You were in the bond business for five years previous to this?

A.—Practically.

Q.—You were dealing in all varieties of provincial and municipal securities?

A.—Yes.

Q.—As well as in industrials?

A.—Yes.

Q.—All classes of bonds?

A.—Everything.

Q.—Your business was carried on from the office in Hamilton?

A.—Yes, sir.

Q.—You did business in all sections of the Province or was it confined to the Province, or outside?

A.—All over the country.

Q.—When you were doing business under the firm, under Browning, Harris, Northey & Co., Browning's name appearing in the firm, what connection had e with the firm then?

A.—None at all.

Q.—How was his name in it?

A.—Simply at my request?

Q.—Had he money in the firm?

Q.—Any financial interest?

A.—Not a cent.

Q.—Why did you use his name?

A.—He is my father-in-law and it was simply as a matter of convenience, because I knew some time Browning was coming down from the west and I did not want to make another change then.

Q.—Has Mr. Browning shared in any of the profits of the million and a half business that the Browning firm has done with the Government?

A.—None.

Q.—He has no interest?

A.—None at all.

Q.—In the Limited Company?

A.—As it stands now?

Q.—Yes?

A.—No, he has no interest outside of a nominal holding company stock.

Q.—His name all through has just been a blind?

A.—No, it is not. He is my father-in-law and gave me permission to use his name.

Q.—Never had any personal interest in any of your firms, and Snyder did not either?

A.—No.

Q.—Previous to your coming up to see the Provincial Treasurer did I understand you to say you learned from the blue books these bonds were held by the Canada Life as well as the Manufacturers Life, and others?

A.—Yes, sir.

Q.—You saw this Mr. Saunders and the Manufacturers Life before you saw the Treasurer?

A.—Yes, sir.

Q.—You came up to the Treasurer, you had no member of the Government. Were you acquainted with any member of the Government?

A.—Not outside Mr. Biggs.

Q.—You were acquainted with him in Dundas. Did any member of the Government or supporter of the Government anywhere introduce you to Mr. Smith. I don't mean take you in and introduce you? Do you know if any member of the Government or supporter spoke to him on your behalf?

A.—Not that I know of.

Q.—You never spoke or asked them to do it?

A.—No.

Q.—You walked in and spoke to Mr. Smith the same as you would to any of the bond houses down town?

A.—I didn't know Mr. Saunders or Mr. Winters when I walked in to see them.

Q.—You want to make that plain; you didn't come there with any introduction, with any political association?

A.—Not at all.

Q.—That is difficult for some of these men to understand; just the same as ordinary business, you came in an ordinary business way and introduced yourself and asked them if they were open to purchase these bonds?

A.—Yes, sir.

Q.—Mr. Smith told you he was open to receive a proposition from you on this deal?

A.—He told me he was open to receive offers.

Q.—You made your offer?

A.—Yes.

Q.—He accepted the offer?

A.—Yes.

Q.—You purchased the bonds?

A.—Yes, sir.

Q.—You paid for the bonds?

A.—Yes, sir.

Q.—You delivered the bonds to the Government?

A.—Yes, sir.

Q.—Got your money?

A.—Yes.

Q.—Made your profit?

A.—Yes.

Q.—Didn't divide with anybody directly or indirectly with the Government?

A.—No, sir.

Q.—Supporter of the Government?

A.—No, sir.

Q.—Not a dollar or a cent went to a campaign fund?

A.—No, sir.

Q.—Kept it all yourself. It was said here that you were purchasing these bonds, those who were selling the bonds had an idea that they were selling the bonds to Morgan, Dean & Harris?

A.—Yes.

Q.—Provincial Securities cheques were given in payment for the bonds?

A.—I believe they were.

Q.—So the sellers got their cheques from the Provincial Security Company?

A.—In one case I think Morgan, Dean & Harris paid for them.

Q.—When any cheques were given, except this one, you are not sure if it was given by the Provincial Securities. Mr. Smith, the Treasurer, knew he was doing business with the Provincial Securities Company.

A.—Yes, sir.

Q.—Mr. Saunders, of the Canada Life, and the officer in the Manufacturers Life, whoever he may be, I have forgotten his name—

A.—Winters.

Q.—They knew they were selling to the Provincial Securities?

A.—Well, I don't know. They got my card, my card, one of the Morgan Dean & Harris. They might have received the impression—

Q.—It was a matter of no particular moment to them who they were—

A.—No, it wasn't a firm, it was to me personally they would accept this.

Q.—The bank knew it was the Provincial Securities Company?

A.—The bank knew all about it.

MR. CURRIE: Did you sell them on a buyer sell slip to the Canada Life?

A.—I cannot remember. It might have been, I don't know.

Q.—Did you send an account or statement?

A.—Either that or else they sent us a statement, one or the other.

MR. DOHERTY: It is stated in one of the papers that you sold some of these bonds to the Government at as high as 120?

A.—Absolutely ridiculous.

Q.—What was the highest price you sold any of these to the Government?

A.—Later on we were paying as high as 108, 109; we got 110.

Q.—Would you care to say now what these securities are worth to-day if you had them?

A.—Every security we sold at par of the dollar bonds, we paid 108 for them, they are worth that on the market to-day, that is the 4's and the 3½'s are worth 101 and 102 and the sterling stock got up as high as 119.

MR. PRICE: Sterling stock is selling to-day at 97 or 98?

A.—That may be, but sterling is down.

Q.—Do you know if anybody is purchasing these succession duty free bonds in the last three or four months?

A.—I know certain gentlemen in the Province will buy every dollar's worth they can get their hands on.

Q.—Willing to pay what price?

A.—Almost any price you say.

Q.—10?

A.—Yes, 110.

MR. MCCREA: That stock you traded in was English inscribed stock. What is, as between bond houses and bond people, the ordinary percentage that is made on a bond transaction?

A.—It depends entirely on the security, the amount of the transaction and the market that the bond in question has.

Q.—What is the ordinary price a broker gets in handling these bonds?

A.—He gets all the way from one-eighth of one per cent. to 10 points on different bonds.

Q.—The percentage is usually under one per cent.?

A.—On certain classes of bonds.

Q.—Well, on this class?

A.—No, not at all. These bonds in question every dealer has a different price, because if a dealer has these bonds to-day they can get any price they like. It might be 4 or 5 or 6 points over what they paid for it.

Q.—You took them over from Kerr, Fleming at somewhere around 86 or 7 and you walked up to the Buildings and got 100?

A.—I got 100.

Q.—Was that an ordinary transaction?

A.—It was more profit then usually.

Q.—You were in the bond business in 1918?

A.—Yes.

Q.—He has asked you about the margin paid to the Government and what they are putting out, have you any knowledge of what price the Province of Ontario in 1918 sold their bonds to the Home Bank, and we afterwards went to the market through Ames, have you any knowledge of that transaction—

MR. PRICE: What has that got to do with it?

A.—Sold to the Home Bank?

MR. DOHERTY: Yes?

A.—No, I don't remember it.

MR. PRICE: You said that you got into this because you heard that Jarvis & Company made a lot of money out of the transactions. It was in the paper.

A.—That is, the information.

Q.—What was it you saw in the papers?

A.—The details? I do not remember what it was.

Q.—What was it?

A.—I cannot tell you, it gave me the information.

Q.—You said here a little while ago that you noticed in the papers that the Public Accounts Committee was meeting and that Jarvis & Company had made a lot of money on Succession Duty Free Bonds, purchasing in the old country?

A.—That is my recollection. It might not be right, but that is my recollection.

Q.—That is what you said. Your deals commenced February 11th, 1921. Now Public Accounts had not been sitting at that time. Public Accounts did not sit for three weeks or a month after?

A.—I know it was in the papers. It might not have been in the Public Accounts.

Q.—Well, Public Accounts had not started.

A.—Well, information in the papers.

Q.—This letter, this Bradshaw letter—

A.—Anyway it was the Jarvis deal, whatever I heard of it.

Q.—You heard Jarvis made a lot of money?

A.—Yes.

Q.—And you wanted to make a lot of money too?

A.—Yes.

Q.—Your father-in-law tipped you off in that? Your father-in-law is an old friend of Mr. Drury's, he didn't tell you?

A.—Who?

Q.—Mr. Drury's?

A.—He may be for all I know.

Q.—And he tipped you off?

A.—My father-in-law?

Q.—Answer the question.

A.—He did nothing of the sort. Mr. Browning was in Edmonton.

THE CHAIRMAN: When will you send us those documents? Can you send them down to-morrow?

A.—I have already told you, if they are available I will bring them down.

Q.—If they are available? Well, you send them, or bring them down, or write us?

A.—I will bring them or write you.

MEMBER: Will you bring Snyder down?

A.—If I can.

Mr. F. G. Husband, Bank of Toronto, called; sworn; examined by Mr. Price.

Q.—What is your position in the Bank of Toronto?

A.—I am the accountant?

Q.—What is your Christian name?

A.—Franklin George.

Q.—You are accountant, Bank of Toronto, at the head office?

A.—At the head office.

Q.—And you had an account with the Provincial Securities, did you not?

A.—Yes, sir.

Q.—Will you let us have the documents you have. Did you have personal charge of this concern's dealings with you?

A.—No, nothing at all was to do with me.

Q.—But you signed some of the cheques, their endorsements?

A.—Yes.

Q.—Were the arrangements made with you?

A.—No, sir.

Q.—Who were they made with?

A.—I cannot say for sure.

Q.—Can't you tell us by looking at this; this is a signature card?

A.—Yes, sir.

Q.—Can you tell us from that who it was that—

A.—There is nothing to show at all.

Q.—Well, you make a memo to let us know the officer of the bank who had the dealings with Mr. Snyder or Mr. Harris, if you will be good enough to telephone Mr. Regan in the morning, the secretary of the Committee.

Q.—You produce Exhibit 45; this is a specimen signature card, isn't it?

A.—Yes, sir.

Q.—It is marked on the top Provincial Securities Company, then under the heading of occupation, general investment business; the undersigned keeping account with the Bank of Toronto, hereby authorizes (X) (Charles E. Snyder, typewritten). And specimen signature, that is it?

A.—Yes.

Q.—And below, Charles E. Snyder, written in ink?

A.—Yes.

Q.—And on the left hand side, signature, George R. Harris.

Q.—Which is also in writing. Now does this purport to be the signature of Charles E. Snyder?

A.—I presume it is.

Q.—You have no personal knowledge?

A.—I don't know Snyder.

Q.—Have you any personal knowledge in this card?

A.—What do you mean?

Q.—Did you obtain it?

A.—No.

Q.—Some officer of the bank?

A.—But I didn't.

Q.—Will you produce a power of attorney, Exhibit 46, on the bank's regular form, filled in on the typewriter, and Charles E. Snyder, trading in the name of Provincial Securities, Toronto. He appoints there George R. Harris, Hamilton, to be his attorney, which is for the usual bank purposes, isn't it?

A.—It is the regular banking form; it might be used for other purposes, might it not?

Q.—This is signed by Charles E. Snyder under seal and witnessed by whom?

A.—W. Eric Harris.

Q.—Is that an officer of the bank?

A.—That is a brother of George R., I think.

Q.—Well, you also produce a waiver of protest, Exhibit 47, by the Provincial Securities, on the regular banking form, signed by Provincial Securities Company, by Charles E. Snyder, under seal?

A.—That is right.

Q.—And witnessed by the same person?

A.—Yes, sir. There seems to be quite a lot of difference in the signature.

Q.—You produce another document, Exhibit 48, which is a declaration on the bank's form as to the individuals composing the firm?

A.—That is right, sir.

Q.—Which shows that, I am carrying on business under the name of Provincial Securities and I agree I will be responsible to the bank, which is signed by Charles E. Snyder, and also witnessed by Harris, or similar signature?

A.—That looks like George R.

Q.—What else do you produce?

A.—I have a certified copy of the ledger sheets, current account.

Q.—Certified copy of ledger sheets, current account, Exhibit 49. This shows the account of the Provincial Securities Company, with the Bank of Toronto?

A.—That is right, sir, from the time it was opened until it was closed.

Q.—At February 1st, 1921, until the time it was closed on September 30th, 1921?

A.—That is right, sir.

Q.—And at that time the balance was drawn out, or rather there was a deposit—

A.—Closed out; that deposit was made on the 27th.

Q.—It squared an overdraft; there was apparently enough money put in to pay a small overdraft. Now does that show all the dealings of this company with the Bank of Toronto?

A.—So far as the current ledger is concerned.

Q.—Well, there is another. This Exhibit 49 shows a call open account and it is headed Provincial Securities, 105 Mail & Empire Building, Toronto Charles E. Snyder, business general investment, general power of attorney made to George R. Harris, form 1019, 104 and 105, dated April 11th, 1921.

A.—This is the call loan account.

Q.—The company had a call loan account?

A.—Yes, sir.

Q.—Exhibit 50. Before I leave this one, the open account, have you any documents in connection with this?

A.—Yes, sir; I have cheques and statements here for four months.

Q.—This will be Exhibit 51.

A.—May, June, July, September; I have the returned cheques for May, June, July and September.

Q.—This is Exhibit 51; they are the cheques and the statements, vouchers that he has never taken out?

A.—That is right.

Q.—Those are the receipts for the vouchers that we got?

A.—That covers the whole account.

Q.—These are the voucher receipts at the end of a month?

A.—That is right.

Q.—Acknowledging balances shown by the ledger?

A.—And acknowledging receipt of the cheques as well.

Q.—They are all signed Provincial Securities, Charles Snyder, by attorney, George R. Harris, and the last one, I see, is not signed at all?

A.—Yes, it is. There it is.

Q.—What else?

A.—I have the original deposit slips and the duplicate; we would prefer to give you the duplicate.

Q.—Well, if you will leave us the originals we will just check them over.

A.—Well, will you give us a receipt.

Q.—No, you don't need a receipt.

He produces, Exhibit 53, original deposit slips of the Provincial Securities Company, and copies of each one.

Q.—Anything else in connection with this open account.

A.—This is a savings keeping account—

Q.—Before we go into that, have you anything else in connection with this general account. What have you in there?

A.—I don't think I have anything more in connection with that.

Q.—What are these?

A.—These are hypothecations for the call loan.

Q.—Anything else in connection with the general account?

A.—These are letters that we received from the Provincial Treasurer enclosing cheques.

Q.—I am just fastening these together and marked, Exhibit 55?

A.—Five letters.

Q.—Five letters from the Provincial Treasurer's Department to the Bank of Toronto, marked as Exhibit 54.

Q.—That is everything you have in connection with that account?

A.—That is everything I have in connection with that account.

Q.—This is a call loan account from the Provincial Securities Company with the Bank of Toronto, covering a period from March 29th, 1921, to September 15th, 1921, marked as Exhibit 50, will you explain this?

A.—That is a copy of the call loan; for instance, his first hundred, he would borrow \$2,000 and this is the security that he hypothecated to the bank.

Q.—The first column shows the loan he obtained from the bank and the other column and the detail shows the nature of the security on which he borrowed?

A.—Yes, that is right. Where he paid off is on the other column.

Q.—And that account was closed?

A.—In September.

Q.—You haven't any forms in connection with that?

A.—Yes, sir, I have.

Q.—These are hypothecations of these different securities, here that will be Exhibit 55. Anything else in connection with the call loan?

A.—No, that is all.

Q.—Don't you get receipts for the return of these when you give up these securities?

A.—I have just mentioned, the receipt is in the back.

Q.—This is just a copy?

A.—Yes, a certified copy, and I mentioned it there just what receipts we did get.

Q.—These are the receipts showing the return of the securities?

A.—That is right.

Q.—Anything else in connection with that?

A.—No, sir.

Q.—Fifty-six. You are an accountant?

A.—Yes, sir.

Q.—You would not have anything to do with withdrawals?

A.—How do you mean?

Q.—Mr. Harris's withdrawals?

A.—No.

Q.—Do you remember his withdrawing, cashing cheques and withdrawing money in cash?

A.—No, I do not.

Q.—You would not have anything to do with that?

A.—No.

Q.—Will you speak to the paying teller of the period and see if you can get any information?

A.—I believe he is on pension but he can come here.

Q.—If you would get his name and let us have it?

A.—Yes.

Q.—Here is Exhibit 56, you produce a statement of the bank, or a certificate copy of their entry showing securities that were held by the bank for safe keeping for the Provincial Securities Company covering period of March, 1921?

A.—That is just the opposite procedure. It shows the credit when he took them up.

Q.—It shows credit of the face value of the security; these were simply held for safe keeping?

A.—Yes.

Q.—And these signatures indicate he signed for them when taken out?

A.—Yes.

Q.—In all cases taken out by Harris, except that one?

A.—And you will see where the bonds were got in exchange, they are put in underneath there.

Q.—And attached to that is a letter, 106 Mail Building, Toronto, no date, the Manager of the Bank of Toronto. You hold for our account (reads).

EXHIBIT 56

106 Mail and Empire Bldg.
The Provincial Securities Company

The Manager,
The Bank of Toronto,
Toronto, Ontario.

Dear Sir;

You hold for our account \$15,000 interim certificates of the 6 p.c. twenty year bonds of the Province of Ontario, 1941. Will you kindly forward these to the Receiver-General at Ottawa stating that they are for the account of the Connecticut Fire Insurance Company of Hartford. In return for the bonds you forward you are to receive from the R.-G. \$15,000 of the 3½ p.c. bonds of the Province of Ontario maturing 1936.

Yours truly,

Provincial Securities Company
Per G. H.

Q.—That was your authority for transfer there?

A.—Yes. Here are two hypothecations. I don't know whether they are any use to you; they were covering transactions that took place on the same day; Mr. Harris, the Provincial Securities, got a cheque certified to take up certain bonds, we would take a hypothecation of these securities and that is what these are.

Q.—What date?

A.—Twenty-fifth May, 1921, and 20th June, 1921.

THE CHAIRMAN: In other words the first one meant Mr. Harris was buying 25,000 Ontario 3½, 1926 maturity, for which you were making him an advance and you took in anticipation a hypothecation?

A.—That is it.

Q.—So you were getting security for the cheque you were issuing?

A.—No, that is not a security because we did not have the bonds.

Q.—But you took hypothecation so that when they came—

A.—So if the bonds ever came into our possession and we had to sell we could sell them.

Q.—But this was before he got them?

A.—Yes, anticipating.

Q.—Did you make an advance against it, do you know?

A.—He would get a cheque certified.

Q.—And we understand you sent a messenger over?

A.—Our messenger would accompany him to the place where he was getting the bonds and, I think, would proceed with Mr. Harris and the bonds up to the Parliament Buildings here, and either obtain a cheque or else some receipt to the effect that the cheque was to be sent to the Bank of Toronto.

Q.—Well, let us see if we got this right. On May 25th he was apparently taking up \$25,000 of 3½ per cent., 1926 maturity?

A.—Yes.

Q.—And you loaned him money or gave him a cheque?

A.—Certified his cheque.

Q.—Sent him up with your messenger, so your messenger would see when the cheque was delivered you would get the bonds?

A.—Yes.

Q.—And your messenger accompanied him up to the Treasurer, and they got this cheque, \$25,245, that would be with accrued interest?

A.—Yes.

Q.—Was that cheque, Wehrle, your man?

A.—Not that I know of.

Q.—Your man would have a certified cheque, and the bonds until you knew the Provincial Treasurer would pay?

A.—I presume either he would have them or he would be there.

Q.—Well, the certified cheque would be given to your messenger?

A.—I don't know. The messenger went, because Manager Skeith told me.

Q.—Well, you issued the cheque; somebody was selling bonds to Harris and you sent your messenger with Harris to hand over the cheque and take the bonds and securities?

A.—That is right.

Q.—And then your messenger accompanied him to the Parliament Buildings where you either got the cheque or were satisfied the Province would issue the cheque the following day.

A.—I know that was carried out but I don't know whether it was in every case.

Q.—And then one on the 20th of June, 5,600 pounds, Province of Ontario, 4 per cent., 1947 maturity, was a similar transaction?

A.—With this hypothecation, you took—I want to show you something—you won't find any entry in the call loan account, that was merely hypothecation, same as this.

Q.—This was dated 17th of May?

A.—It was merely the same as these other two hypothecations; that is a day by day transaction.

Q.—Although it is entered in this?

A.—Hypothecations just the same.

MR. CURRIE: Have you a hypothecation on that first transaction? Was it hypothecated before he got the bonds?

A.—I haven't any hypothecation with me, no.

Q.—He swore here he went down and got his cheque marked and took it over and got the bonds. I didn't think it would be possible for him to do that unless he had—

A.—There is no doubt there was a hypothecation, but I haven't been able to find it.

THE CHAIRMAN: Have you anything else?

A.—I have a copy of a letter showing how the account was finally closed out.

Q.—You produce a copy of a letter, Exhibit 57, dated September 27th, 1921, from the Bank of Toronto, to the Manager at Hamilton: Dear Sir, we enclose—

EXHIBIT 57

September 27th, 1921.

Registered.

The Manager, Hamilton.

Dear Sir,—

We enclose herewith for collection our D.B. 3334, Demand, Browning, Harris, Northey & Company, \$7,306.38. No Protest, with Ten Bonds attached, as follows, which documents are only to be surrendered upon payment:—
2 Province of Saskatchewan, No. AH1568-9, \$1,000.00 each, due 1st February 1936, with coupons the first maturing 1st February, 1922, attached. City of Winnipeg, Nos. F1613 to 5 inclusive, 1425 to 30 inclusive, \$1,000.00 each due 1st June, 1950, with coupons, the first maturing 1st December, 1921, attached.

If the above draft is not paid promptly upon presentation be good enough to collect interest thereon at the rate of six per cent., until date of payment.

Kindly acknowledge receipt,

Yours truly.

J.W.M.

M.L.B.

Q.—This was to your Hamilton manager?

A.—To carry out those instructions.

Q.—It wound up the account?

A.—It wound up the account and it wound up the call loan account.

Q.—That is all the bank have, is it?

A.—There is two things.

MR. CURRIE: Supposing Mr. Smith gave a letter to this man Harris, or the alleged man Snyder, supposing he gave to Snyder or Harris a letter to the

effect that he had agreed to purchase in accordance—did you hear that first letter read?

A.—Yes, I was present.

Q.—You heard that letter offering to Mr. Smith to sell him certain bonds; if Mr. Smith wrote a letter to you agreeing to take these bonds, if he took that letter down to you, would you have that on the file?

A.—In the first place he didn't take a letter to me.

Q.—He didn't take any letter down there?

A.—No, I don't know anything about it. It would be with the manager.

THE CHAIRMAN: You produce Exhibit 58, which is a bank memo credit note protest with Harris, same number, 1935 and 90; and attached to that is counter cheque, loans, George R. Harris, one thousand—

A.—There is a cheque in these vouchers I gave you payable to the Bank of Toronto for \$927 odd and those two entries, I think, I cannot prove, show what that cheque was; if you notice the difference between the cheque and the credit will be a difference of \$935. Well, the cheque we received was only \$927. Now I don't know. The difference, of course, may be cash. Mr. Harris may have paid in cash. But I just wanted to prove that one cheque was payable to the Bank of Toronto.

Q.—That is as near as you can explain.

A.—That is as near as I can.

Q.—Have you anything else to your knowledge that you know of this transaction?

A.—No, sir.

Q.—Did you have any correspondence or conversation with Mr. Harris while this account was running?

A.—I may have had.

Q.—Do you remember?

A.—If I did it was just in a general way, not that I can remember.

Q.—You don't remember any conversation with him about what he proposed to do and why he was going into it?

A.—Oh no.

Q.—And what profit he was making out of it?

A.—No, sir.

Q.—Did you have anything to do with Charles E. Snyder?

A.—No, sir, I never saw him.

Q.—Did he appear in the bank end of it at all?

A.—Not so far as I know.

Q.—Did any one in the bank see him? I see these are all witnessed by Mr. Harris; none of them are witnessed by bank officials?

A.—That is right.

Q.—Did he ever come in to the bank?

A.—I don't know.

Q.—Was there ever any such official?

A.—I don't know.

Q.—The bank didn't know him?

A.—I say I don't know.

Q.—Do you know whether any one did?

A.—No.

Q.—Will you make inquiries?

A.—Yes.

Q.—Has Harris another account with your bank?

A.—I don't think he did.

Q.—Will you look that up?

A.—Yes.

THE CHAIRMAN: Or Snyder?

A.—I am almost sure they didn't have.

Q.—Would this account be authorized by the board or executive committee?

A.—No.

Mr. Saunders, sworn; examined by the Chairman.

Q.—Have you any papers and documents on the sale of stock to the Provincial Securities Company, or to Morgan, Dean & Harris?

A.—Yes.

Q.—Will you produce what documents you have?

A.—I have here an affidavit sworn before our solicitor from Mr. Woodcock, one of my assistants that had negotiations with Mr. Harris in this deal. One is a copy of a letter from Morgan, Dean, Harris & Mulveney, dated 10th February, 1921, addressed to the Canada Life, and attention of Mr. Woodcock through whom Mr. Harris had his dealings in this transaction; confirming the purchase at the figures which you read; and the other is a statement of the sale, price of the sale, and purchase price 91.

Q.—The purchase was made on the 10th of February, the same day apparently as the Order-in-Council?

A.—He came to the office 9th of February.

Q.—Exhibit marked 59. The Canada Life Assurance Company, Toronto. He came in on the 9th of February?

A.—Yes sir.

Q.—And he saw Mr. Woodcock?

A.—Yes sir.

Q.—You didn't see him?

A.—I didn't see him at all to my knowledge.

Q.—The letter with the Canada Life Assurance Company reads as follows

EXHIBIT 59

Q.—But the letter that the Canada Life Assurance Company writes to Morgan, Dean, Harris & Company, on February 9th, 1921, is as follows:

Morgan, Dean, Harris & Company,
Hamilton,
Ontario.

February 9th, 1921.

In account with

\$60,346.66 4½ p.c. Province of Ontario Registered Stock due 1st January 1945-65.

| | |
|---|-------------|
| Price—\$91.39 and accrued interest..... | \$55,145 33 |
| Accrued interest Jan. 1 / Feb. 9 (39) days..... | 290 16 |

\$55,435 99

And then, "In the matter of sale—"

Q.—Did you see Mr. Harris when he came in?

A.—Not to my knowledge.

Q.—Did you have any dealings with Mr. Harris before that?

A.—None whatever.

Q.—Did Canada Life have any dealings with this company before?

A.—Not to my knowledge.

Q.—Did this matter come before you for consideration?

A.—Mr. Woodcock informs me that when negotiating with Mr. Harris for the sale he came up to get my confirmation of the disposal of the bonds at the price agreed upon, which all these sales have to be passed by me or—

Q.—And this was made as it shows by the agreement, Dean, Harris & Mulveney, Limited, on the 10th day of February, 1921.

Q.—You didn't hear of Provincial Securities in this?

A.—None whatever.

Q.—There was no deal made from Canada Life to the Provincial Securities?

A.—No, sir.

Q.—And you had no subsequent deal?

A.—No, sir.

Q.—In fact you didn't know that company in the transaction?

A.—Never heard of them.

MR. CURRIE: Did you write to the Provincial Treasurer at any time telling him you had these bonds for sale?

A.—No, sir.

Q.—Sure of that?

A.—Yes, sir.

MR. GARDEN: If the Government had purchased, what would they have cost the Government?

A.—Whatever they were willing to pay.

Q.—You would have sold them at this price?

A.—Oh yes.

MEMBER: You sold them for about \$5,000 more than you carried them on your books?

A.—The profit was, I think, \$4,300.

Q.—You made a profit of \$4,300 and interest and he came and got for his bonds on the 10th, got an Order-in-Council, the 10th, and sold them to the Government and made \$5,000 more. You thought you made a dandy deal?

A.—Well, we were satisfied.

Q.—You keep track of what the London market is?

A.—Yes.

Q.—As treasurer you would know where to make a good sale?

A.—Yes.

Q.—You must have thought he wanted some for a rich client who wanted them to put in his list of investments?

A.—I don't know what our thoughts were then, but we were very well satisfied with it.

Mr. Winters called; sworn; examined by Mr. Price.

Q.—You are the Treasurer of the Manufacturers Life Insurance Company.

A.—Yes, sir.

Q.—And did you have any dealings with the Provincial Securities Company?

A.—Well, we didn't know it until after.

Q.—Who did you actually deal with?

A.—George R. Harris.

Q.—And what do you produce for our consideration?

A.—This is the card which he introduced himself with.

Q.—George R. Harris?

A.—Yes.

Q.—Morgan, Dean, Harris & Company, investment brokers, Bank of Hamilton; no mention of Provincial Securities there?

A.—None whatever.

Q.—A man would have to be seven kinds of a mind reader to consider Provincial Securities in that?

A.—Yes.

Q.—Did you have negotiations with him?

A.—Yes.

Q.—Now what others?

A.—This is a statement made up on the 19th February as to the sale of 8,200 pounds at 85.40.

Q.—Did he come in on the 11th of February?

A.—Before, I don't know the exact date; a day or two before.

Q.—And the sale, I see, to him is at 85.40? And he sells to the Government at 100?

A.—Yes.

Q.—That is a difference of 14.60 points?

A.—Yes.

Q.—And I suppose, like the Treasurer of the Canada Life, you kept pretty good track of the value?

A.—Oh yes.

Q.—Know what they are worth?

A.—Yes.

Q.—And you were prepared to sell these because you got a good price?

A.—Yes.

Q.—Bigger price than you could have bought in the London market?

A.—Oh yes.

Q.—If you had gone over there you could have bought just the same at the Bank of Montreal?

A.—Yes.

Q.—Who were buying about 69, and you were selling to Harris at 85.40?

A.—Yes.

Q.—And Harris then selling the Government at 100? So you had made profit?

A.—Yes.

Q.—Is it safe to say that really 100 was really more than it was worth on the market by probably 30 because the Bank of Montreal was buying here, February 11th, at 69?

A.—That was the London market. That was the only dealing we had had at that time. We had them for about five years.

Q.—You can see here the Bank of Montreal, 47 Threadneedle Street London, on the 2nd of February, bought those at 76½?

A.—Yes.

Q.—And that is not taking into consideration the rate of exchange, which was about 4.40?

A.—Of course, that is a different bond; that is 4½. If we were buying London there is no reason why we should not buy as well as the Bank of Montreal.

Q.—There is a 4 per cent., a 4 per cent. at 75?

A.—Yes.

Q.—And you came in about the 8th or a few days before—

A.—A few days later.

Q.—A few days later, but a few days before the 11th, so it was even five days after the Bank of Montreal was buying for us?

A.—Yes.

Q.—That is their bill to us on 4 per cent. stock?

A.—Yes.

Q.—At 75. Now that doesn't take into consideration the exchange?

A.—That was in London.

THE CHAIRMAN: Exchange was about 4.40 3-4.

Q.—So that really means that the Bank of Montreal was buying at 69?

A.—Yes.

Q.—That is Canadian funds, so actually that stock was being bought by the Bank of Montreal at over 30 points cheaper?

A.—Yes.

Q.—Than the Province was paying here. There is no doubt about it?

A.—Yes, that is right.

Q.—As a business man and as Treasurer of a large insurance company you knew these facts?

A.—Oh yes, we were getting good prices.

Q.—And it was a very disastrous thing for the Province to buy at 100?

A.—Yes.

Q.—Bad business, wasn't it?

A.—Yes.

Q.—Have you anything else, this is Exhibit 60?

A.—That was the certificates. This is a copy of our receipt book, showing who signed for them.

Q.—We will put that in as Exhibit 61.

A.—That is the entry in the cash book. It was cheque from the Provincial Securities.

Q.—Exhibit 62.

The Committee then adjourned until the following evening, Tuesday, March 25th, 1924, at 8 o'clock.

PUBLIC ACCOUNTS COMMITTEE

The Committee met at 8 o'clock Tuesday evening, March 25th, 1924, with Mr. Finlayson in the chair.

George Hurst called; sworn, examined by Mr. Price.

Q.—What is your position?

A.—Chief of the Income Branch, Assessment Department.

Q.—Of the City of Toronto?

A.—Yes, sir.

Q.—You have been subpoenaed to produce certain documents, what do you produce?

A.—I have, sir, the return file of Mr. Douglas K. Ridout.

Q.—Have you got copies of them or just the original?

A.—I have copies.

Q.—With you?

A.—Yes, sir.

Q.—Then you would rather take the original, would you?

A.—Yes, sir.

Q.—This is Exhibit 63. And these certified copies—

A.—They are just copies I made from the office.

Q.—You made them yourself?

A.—Yes, sir.

Q.—Mr. Hurst produces income tax return of Mr. Douglas K. Ridout for the year 1923, Exhibit 63. I see this is signed but not sworn to?

A.—Yes, sir.

Q.—Are not your returns sworn to?

A.—As a rule, sir, but just at this time of the year when they are coming in we have five or six thousand of these coming in a day and they are immediately referred to the assessors.

Q.—Skipping the formal part it shows the income return, D. K. Ridout, occupation insurance, 11 Roxborough East, business address Union Bank Building; married, British subject; total income from profession or calling, which includes gratuity, wages, salary, fees, commissions, bonus, personal earnings from all sources, \$7,000; income from mortgages, nothing; income from bonds, debentures, stocks, other mercantile securities, nothing; income from stocks, nothing; income from bonds and debentures not already mentioned including war and victory bonds, nothing.

Then the only other item returns are blank except salary, Savings Assurance Agency, Limited, \$1,900, showing a total return of income of \$8,900, and he claims exemption of \$600?

A.—\$2,600, sir.

Q.—Oh yes, \$600 is one item.

MR. LEWIS: What is the date of that return?

MR. PRICE: It isn't dated; the affidavit isn't filled out and it isn't sworn to.

MR. LEWIS: Can Mr. Hurst tell us when it was received in the Department?

Q.—There is a memo; February 12th, 1924, T. J. Law. Is that one of your staff?

A.—Yes, sir; the return was filed in the office on or about the 6th of February.

Q.—This year?

A.—Yes, sir.

Q.—This covers income for last year?

A.—Yes, sir.

Q.—Before I leave this, have you had any occasion to discuss it with anyone, Mr. Ridout or anyone else?

A.—Yes, sir.

Q.—That was with?

A.—Last Wednesday afternoon, Mr. Ridout.

Q.—Wednesday of last week?

A.—Yes, sir.

Q.—The 19th?

A.—Yes, sir. Mr. Ridout called on the Assessment Commissioner Forman to interview him regarding this return and stated in filing the return he had not included certain income—\$100,000—that was the amount in question—and stated further that the reason why the amount had not been reported on the return was that he had taken counsel with his solicitor who advised him that

that amount of money was not properly returnable as income. And further requested the Assessment Commissioner that no action be taken by the Department until he had an opportunity of taking the matter up with him again together with his solicitor.

THE CHAIRMAN: That was last Wednesday?

A.—Yes, sir.

Q.—That is the date he was before the committee; he went from here down?

A.—Yes, sir.

Q.—Anything further in their conversation?

A.—That was all, sir, the matter is still in abeyance as far as the Assessment Department is concerned.

Q.—Did he state the amount?

A.—Yes, he informed the commissioner that he had purchased from the Ontario Government Treasury Bills amounting to \$10,000,000 and had sold the same for \$10,100,000. The bonds were sold by him to the National City Bank in New York City.

Q.—And he made a profit of \$100,000 out of it?

A.—Yes, sir.

Q.—We will keep a copy and we will return you the original. What else have you?

A.—I have in addition to that the salary list from Ridout and Strickland, Limited, which reports a salary of \$7,000 paid to Mr. Ridout.

MR. PRICE: It is upon that he based his return?

A.—Yes, sir. That is the main item.

THE CHAIRMAN: Exhibit 64, which shows salaries of the various persons in the firm. We don't need to go into any of the others because we are not concerned with them, showing the \$7,000.

A.—Another list from the Savings Assurance Agency, Limited, reporting D. K. Ridout as Insurance Broker receiving a salary of \$1,900.

THE CHAIRMAN: This is the copy?

A.—Yes, sir.

Q.—That will be Exhibit 65. Are there any conversations or correspondence about these?

A.—No, sir.

Q.—What else?

A.—I have also shareholders' return from Ridout and Strickland, Ltd., on which Mr. Ridout's name is reported as shareholder of the company, as holding 5 shares, value \$500, and on which no dividends are reported as having been paid to him.

Q.—Have you a copy of that?

A.—Yes, sir.

THE CHAIRMAN: The witness exhibits the original return and leaves a copy, Exhibit 66. It shows a list of the various shareholders, seven in all; the only one we are concerned in is Mr. Ridout, Douglas K. Ridout, 11 Roxborough Street east, five shares, value \$500, dividends returned, nil.

A.—I have also a shareholders' return from the Savings Insurance Agency, Limited, reporting the list of their shareholders. Mr. Ridout's name appears on this list also as owning 3,999 shares amounting to \$399,900 on which no dividends are reported in this case also.

THE CHAIRMAN: Exhibit 67. What else?

A.—That is all, sir.

Q.—That is all?

A.—Yes, sir.

Q.—And apart from these you have nothing else in your office on file relating to this?

A.—No, sir.

Q.—And you had one conversation you speak of as to that \$100,000 item; that is the only conversation your offices had with him?

A.—Only one, sir.

MR. CURRIE: I would like to know who the shareholders in that company are in addition to Mr. Ridout that had \$300,000.

THE CHAIRMAN: Arthur Hamilton Britton, \$244,900; Douglas Kay Ridout, \$3,999.00; Donald Allen Ridout, \$100; Arthur Beresford Mortimer, \$100; Edward Irvine, \$150,000; A. H. Britton, D. K. Ridout and E. Irvine, \$100,000.

MR. CURRIE: Why was not this return sworn to, do you know?

A.—The only explanation I can offer is that just at the time the returns were coming in from Ward 3 and we are receiving, well, five, six and seven thousand a day, and this return apparently came through the mail addressed direct to the assessor, the affidavit not being taken before it was sent into the office. In the ordinary course of events there would be a check-up—well, inside of two months the return would be checked and the assessor when making his assessment would then have the return verified by oath.

Q.—What is your opinion as to whether there should have been income tax on that \$100,000 made out of the bond deal?

A.—From the information which I have obtained in following the investigation here very closely and in consultation with the Assessment Commissioner we have come to the conclusion that the \$100,000 should have been reported on the return as it is income and properly assessable.

Q.—And properly assessable?

A.—Properly assessable.

Q.—Is there any penalty attached for not making that return properly?

A.—Yes, sir. The penalty is \$100 fine for not making the return and \$10 a day for each day for which the default continues.

Q.—Is the Assessment Commissioner your superior officer?

A.—Yes, sir.

Q.—Is it his intention, do you know, to take proceedings against Mr. Ridout for not having shown this particular amount in his income tax?

A.—Well, the Assessment Act provides that the assessor shall not be bound by any returns as made by a person under the Act if the report is correct or otherwise and we have power to assess a person for any amount we consider proper and legal.

Q.—Knowing now as you do that there was a sum of \$100,000 made by way of income that was not shown in the return, is it the intention of the assessment commissioner now to collect from Mr. Ridout?

A.—Yes, we intend to assess the amount.

Q.—And proceed against him to collect the proper income?

A.—Absolutely.

MR. LEWIS: This return is the basis for the assessment that you will make this year?

A.—Yes, sir.

Q.—And you haven't started the Ward 3 assessment, so when the assessor

makes his assessment in Ward 3 he will have this information before him and add this to the return and assess it, and collect it next year?

A.—Absolutely, that is correct.

C. A. Mathews called; sworn; examined by Hon. Mr. Price.

Q.—Mr. Mathews, last night we went into details of these succession duty free bond deals with the Provincial Securities Company, where they bought sterling inscribed stock. There is another deal here which I would like to go into now, one of G. M. Hart in the same year. Do you recollect G. M. Hart?

A.—I recollect the transactions, some of them.

Q.—Do you know G. M. Hart?

A.—I know him now but I didn't at that time, sir.

Q.—When did you get to know him?

A.—I really couldn't say. I think I met him at some social gathering.

Q.—Since this deal?

A.—Yes, sir.

Q.—Who is G. M. Hart?

A.—I heard since the time that he was connected with some bank.

Q.—Do you know what bank?

A.—I think it was the Royal.

Q.—What was he in the Royal?

A.—I cannot say.

Q.—At the time this transaction took place? That is, he was in the Royal at the time this transaction took place?

A.—That was what I heard, yes, sir.

Q.—This transaction apparently started in May, and June, 1921, about the time when the Provincial Securities were on. I am producing a letter from G. M. Hart, dated July 29th, 1921, and with the voucher attached, and with a wire attached. You tell me if you have seen that letter before?

A.—Yes, sir.

Q.—And the account?

A.—It is apparently attached; I think I saw it.

Q.—And the wire?

A.—I do not remember seeing that wire before.

Q.—That wire is apparently attached to it. I will put this in as Exhibit 68.

Q.—Then, letter of July 29th says:

421 Broadview Ave.,
Toronto, July 29th, 1921.

The Provincial Treasurer,
Parliament Bldgs.,
Toronto, Ont.

Dear Sir:—Referring to my letters of May 31st and June 8th, and yours of June 6th, I am now in a position to make delivery of 29,000 pounds 4½ per cent. Province of Ontario Free from Succession Duty Stock, maturing 1st January, 1965.

I enclose a short statement, with interest made up until August 2nd, showing the amount due me in this connection.

I expect to be able to make delivery of the balance, 1,000 pounds, within a week.

Yours very truly,
(Sgd.) G. M. Hart.

Attached to that is an account dated 29th of July, to the Provincial Treasurer, 29,000 pounds Province of Ontario $4\frac{1}{2}$ registered stock, maturing 1st January, 1965, at par, less exchange quoted nominally at 4.40, \$127,600, accrued interest from July 1 to August 2, 32 days, \$556.80.

And attached to this file is what purports to be a telegram to D. O. Secord, Toronto. Do you remember that?

A.—I cannot tell you that. I don't remember.

Q.—We will have to find out whose cable that is.

DOSECAR—TORONTO

ONTARIO—Ticket attached to transfer represents certificate and was issued by Registrar who will exchange for new certificate in your buyers name on completion transfer by him, both transfer and ticket must be lodged at the same time for registration.

MR. PRICE: That implying that they were attached by somebody in the old country to that stock?

A.—It would appear so from the telegram, yes.

Q.—Apparently we have not been able in the department to find letters of May and June 8 and June 6. Have you a recollection of what those letters contained?

A.—No, sir, I haven't.

Q.—It refers back to May 31, and June 8, and apparently you wrote a letter June 6?

A.—Yes.

Q.—Do you remember this letter from Hart? This is another of the letters on a plain typewritten head without any top to it, just the same as Provincial Securities. It is not a printed head. You can take a sheet of paper, anyone can do that, and write a letter in to the Department.

MEMBER: Was there a date on that?

MR. PRICE: July 29.

MR. CURRIE: The address?

MR. PRICE: 421 Broadview Avenue.

Q.—Now, Mr. Mathews, do you remember this transaction taking place?

A.—I remember something about it, yes, sir.

Q.—Just tell us what happened in this case?

A.—Well, apparently from this letter there must have been an offer made to the Department of this stock; that being the case I would take it up with the Minister.

Q.—Well now, was the offer made to you or was it made to the Minister?

A.—Well, that is what I cannot tell. I cannot remember.

Q.—This is addressed to the Minister, Provincial Treasurer?

A.—Yes.

Q.—And it refers to correspondence, this letter of July 29 refers to correspondence a month before, so it would appear that there was an order to buy this stock and the stock was bought in the old country, from the wire?

A.—From the wire, yes.

Q.—Now do you recollect Mr. Smith talking to you about Hart?

A.—Not particularly.

Q.—Particularly! But do you recollect him talking at all?

A.—No, I do not.

Q.—Did he say here is a deal we want to put through and introduce you to Hart?

A.—I cannot remember that, sir.

Q.—Did Hart see you first about it?

A.—No, sir, I don't think so.

Q.—Do you recollect these letters coming in and Hart discussing the thing with you?

A.—I think I can remember the letters coming in but I don't remember Mr. Hart.

Q.—Who did you see in connection with this matter in the Department?

A.—I don't know that I saw anybody, sir.

Q.—Before, in the Provincial Securities, you are sure the Minister referred that to you, and made the deal. Now who made this deal?

A.—I assume the Minister made it.

Q.—Did you have anything to do with it?

A.—No, sir.

Q.—This was a matter referred to you by the Minister?

A.—On the face of it, yes.

Q.—You got an order-in-council for the Provincial Securities. You have no order-in-council for this?

A.—No, sir, there was no order-in-council.

Q.—Then you proceeded to buy this without any order-in-council and you apparently got instructions from somebody?

A.—Instructions, I assume, from the Minister.

Q.—Well, on August 3rd, we have a voucher marked as Exhibit 69, voucher 23792; this voucher shows a cheque for \$127,791.02, dated the 3rd of August, 1921, drawn on the Standard Bank of Canada, in favour of G. M. Hart. Now here does not appear to be any letter in connection with that at all. That letter in connection with that would be the one, I presume, on the 29th?

A.—No, sir.

Q.—Now who was it received that cheque; can you tell from that who was it endorsed the cheque?

A.—It is marked on the back here, "mailed."

Q.—It would be mailed; where would it be mailed? There is no letter with it?

A.—I rather think that must be a mistake in stamping. I think probably it was called for or delivered.

Q.—There is no letter showing where to send it; and it is endorsed G. M. Hart. Is there a receipt for the cheque?

A.—No, there is no receipt on it.

Q.—It is endorsed G. M. Hart, and in pencil is 421 Broadview Avenue?

A.—Yes, sir.

Q.—And it is marked paid by the Standard Bank on just a paid endorsement, without—could you tell where that cheque had been deposited?

A.—I assume from the stamp on the front it was deposited with the Standard Bank.

Q.—Where does it say it was deposited?

A.—Well, it says here, the stamp is the Standard Bank.

Q.—What would this one go into?

A.—I cannot tell you.

Q.—It doesn't show any account?

A.—No, sir.

Q.—Just a paid stamp, a perforated stamp and on the front of it, Standard Bank of Canada, paid, August 3rd, 1921, the very date of issue when the bill came in, the very date of the voucher for the amount.

Then on November 12th, 1921, we have a voucher, 2385, being a cheque November 17th, 1921, for \$4,408.50, the Merchants Bank of Canada, in favour of G. M. Hart. Where would that cheque go, Mr. Mathews?

A.—That cheque was called for, sir, and it went to the Royal Bank of—it was cleared at the Royal Bank of Canada on November 19th; marked paid by the Merchants Bank on the same day.

Q.—That is Exhibit 70 is marked paid by the Merchants Bank but apparently it was deposited in the Royal?

A.—Yes, sir.

Q.—And it was cleared at the Royal, the Royal Bank of Canada, cleared November 19th, Savings Teller A to L, Toronto, Ont.

Now the letter of November 16th; the letter was sent in by Mr. Hart, who signs, G. M. Hart, 411 Broadview Avenue. This is to you, Assistant Treasurer?

A.—Yes, sir, I haven't seen it.

Q.—You are doing a little better in this case than on the Provincial Securities; they got par. (Reads Exhibit 70.)

Asst. Provincial Treasurer,
Province of Ontario,
Parliament Buildings,
Toronto.

November 16th, 1921.

Dear Sir:

Re 1,000 Ontario 4 per cent. Reg. Stock, maturing 1st May, 1947.

Referring to our correspondence of some time ago, I am submitting herewith figures showing amount due me on the purchase of the above stock.

| | |
|--|------------------|
| 1,000 pounds Province of Ontario 4 per cent. Reg. Stock, due 1st May, 1947, at the exchange rate of 4.40..... | \$4,400 00 |
| Accrued interest on above from 1st November to 17th, 16 days..... | 8 50 |
| | <hr/> \$4,408 50 |

Trusting the delivery of this stock will be satisfactory to-morrow the 17th instant, I remain,

Yours truly,
(Sgd.) G. M. Hart.

G. M. Hart,
421 Broadview Ave.,
Toronto.

Q.—That is marked in the Department as having been received on November 17th, 1921, and on the same day the cheque went through. Now who was it received that cheque?

A.—It was signed for by L. C. Mason.

Q.—That is on November 17th; who was L. C. Mason?

A.—He was connected with the Home Bank, sir.

Q.—Well, how would he receive this cheque for Mr. Hart?

A.—Well, the Home Bank presented the stock—at least this Mr. Mason brought up the stock.

Q.—Well then, Mason must have been working in the Home Bank?

A.—Yes, I said he was in the Home Bank.

Q.—And the Home Bank—apparently this is one of the same character of transactions as the Provincial Securities, one bank sends up the stock and gets the cash to the credit of the man who is selling it?

A.—Yes, sir.

Q.—Then we have another voucher in this transaction, voucher 11111; the cheque was dated February 20th, 1922, in favour of G. M. Hart, drawn Merchants Bank of Canada, \$5,323.55, and I see the voucher is prepared by yourself as in the other cases?

A.—Well, I signed it. I do not say I prepared it.

Q.—In this last letter, last two letters from Mr. Hart, February 15th, 1922, 421 Broadview Avenue, Toronto; these are all just the same gentlemen. There is an ordinary printed sheet but there is no heading to it.

421 Broadview Avenue,
February 15th, 1922.

The Provincial Treasurer,
Parliament Buildings, Toronto.

Dear Sir:

I have 1,150 pounds Province of Ontario, 4 per cent. Stock, free from succession duties, maturing May 1st, 1947, which I am contemplating disposing of within the next few days. Before finally doing so, I should be glad to know if you would consider taking this in at par less the current rate of sterling exchange, namely, 4.57.

I might say that I am in a position to make delivery immediately upon receipt of a favourable reply from you.

Yours very truly,

G. Hart.

Honourable gentlemen will remember as well when we were here yesterday or to-day discussing the Provincial Securities that they were all getting par; here is a man quoting the current rate of exchange as 4.40 and 4.50 and so on. Of course this letter is a little later.

Q.—You must have had a talk with Mr. Hart about this thing, Mr. Mathews. Didn't you have a talk with Mr. Hart?

A.—Not that I can remember.

Q.—Did you telephone him at 421 Broadview Avenue?

A.—No, sir.

Q.—Had you seen him up to this time, February, 1920, 1922?

A.—Not that I am aware of. I cannot say.

Q.—Did you have a talk with him about any of these transactions during the time they were being carried out?

A.—Not that I can remember.

Q.—Well, he addresses this letter to the Treasurer; then the second one:

Referring to our telephone conversation a few days ago, I have pleasure in confirming the sale to you of 1,150 pounds Province of Ontario, 4 per cent.

stock, free from succession duties, maturing 1st May, 1947 at par less the current rate of exchange 4.57 as per my letter of February 15th.

I enclose statement covering this transaction.

Yours very truly,

G. Hart.

Q.—Now in this cheque, who would you say received that cheque, voucher 11111?

A.—It is marked "cheque delivered" by stamp.

Q.—It doesn't say, it is cheque delivered. That would be someone in the Department would deliver it?

A.—Yes.

Q.—It was marked right above your signature. You didn't deliver it?

A.—No, sir, I didn't.

Q.—That would be delivered by some one in the Department?

A.—Yes, sir.

Q.—It is endorsed by G. M. Hart?

A.—Yes, sir.

Q.—And where was it cleared?

A.—It was cleared at the Royal Bank of Canada, February 22nd.

MR. PRICE: This is Exhibit 71.

Q.—Now, Mr. Mathews, I see that day an order-in-council here, that while there was no order-in-council to buy this at the time there was subsequently?

A.—Well, I am not aware.

Q.—Well look; produced order-in-council, dated 29th July, 1921, marked as Exhibit 72. Just look over that and see if it does not provide for two of the sales by Hart, provides for them after they were made?

A.—Yes, sir.

Q.—That is in the order-in-council bearing date 29th July, mentioned in Exhibit 72. There is provision for 29,000 pounds of inscribed stock, due, January 1st, 1965, at par, with exchange at 4.40 and 1,000 pounds inscribed stock due May 1st, 1947, par exchange 4.40, same being part of the inscribed stock above referred to.

This is an omnibus thing along with a lot of others apparently that were ratified after the sales had been made. I am putting order in council in to show how these transactions were carried out.

MR. LEWIS: I suppose that includes a list of the members of council who were present in this case?

MR. PRICE: I can get that separately, but it is not written in on the order-in-council.

Mr. Douglas recalled.

Q.—You are already sworn. Producing for the benefit of the Committee computation which you have made on the case of G. M. Hart in sales that he made, that I have gone over in these several vouchers. Have you compared what the various purchases along similar lines from the Bank of Montreal in London?

A.—Yes, sir.

Q.—And is this statement a correct statement?

A.—This is a correct statement.

Q.—You figured that out as correct from the records in the Department?

A.—From the records in the Department.

Q.—That is all, then. This is Exhibit 73; statement produced by Mr. Douglas, the chief clerk or accountant of the Treasury Department, in which he shows that on August 3rd we paid out, to G. M. Hart, 29,000 pounds of $4\frac{1}{2}$, 1965 stock at a par value of stock of 100 at a rate of exchange 4.40 at a price of Toronto par of exchange, that made a price of 90.41; the nominal quotation on London Stock Exchange at the time was 88.50, but the current rate of exchange at that time was only $399\frac{1}{4}$, whereas we paid 4.40. The market price in Toronto of that stock would have been 72.59. The Province lost 17.82 points, figured out to be \$25,149.60 on that first transaction.

On November 17th there was an item of 1,000 pounds of 4 per cent. 1947 stock, price 100, rate of exchange paid for it 4.40, price in Toronto par of exchange 90.41, nominal quotation on the London Stock Exchange of 85.50, the current rate of exchange at that time $4.36\frac{1}{2}$, making the price in Toronto 76.70, a loss to the Province of Ontario of 13.71, or \$667.22; these are all dollars when I figure them as the loss; \$29,000 and \$667.22 in the second.

On February 2nd, 1922, there was a further item of 1,150 pounds 4 per cent. 1947 stock, price 100, rate of exchange paid for the Province 4.57; price in Toronto 93.90; nominal quotation London Stock Exchange 90.50; current rate of exchange at that time $4.52\frac{5}{8}$, market price in Toronto 84.17; the loss being 73 points or \$544.55.

Making a total loss on transaction of 31,150 pounds or approximately 60,000 dollars, of \$26,361.37 on the transaction of G. M. Hart.

MR. DOHERTY: In the statement here you give the nominal quotation London; I take it from what the Provincial Treasurer has said that is the price at which the Bank of Montreal was picking up the stock?

A.—That is the prices that were given us by the Bank of Montreal.

Q.—To what extent was the Bank of Montreal picking these up, in what quantities?

A.—Every half year they buy—we send the half yearly interest and sinking fund, 1st of January and 1st of July and 1st of May and 1st of November, on a third issue of stock, a quarter of one per cent. out of the interest, a quarter of one per cent for sinking fund purposes. They go into the market and purchase the stock.

Q.—What would that amount to practically.

A.—It is half of one per cent. per year—or a quarter of one each half year.

Q.—In pounds or dollars?

A.—In pounds.

Q.—What would be the amount in pounds or dollars in a year?

A.—Oh, 50,000 or 60,000.

Q.—Pounds in a year?

A.—Yes.

Q.—One quarter of one per cent. to do that purchasing.

MR. DOHERTY: If you went into the market to purchase in any considerable quantities do you think that price could be obtained?

A.—Well—

Q.—If you went into the market to purchase say \$5,000,000 worth of bonds?

MR. PRICE: Well, Hart went in to purchase thirty.

A.—If you are going in to purchase any considerable quantity, I suppose people would be aware of it and the price would go up correspondingly.

Q.—Would you be able to explain why it was, as I understood the quotation

read by the Treasurer that quotation made by Hart was at the current rate of exchange; was that not what he said?

MR. PRICE: No, 4.40.

MR. DOHERTY: 4.40 in the first instance?

MR. PRICE: 4.40 in two instances and 4.57 in the third.

MR. DOHERTY: But didn't he say current rate of exchange?

THE CHAIRMAN: No, 4.40.

MR. DOHERTY: But he also says a current rate. I cannot understand how any person, if the current rate was 3.99, why any person should accept 4.40.

MR. PRICE: See we haven't the first two or three letters.

MR. DOHERTY: The others are approximately in line except that one.

MR. PRICE: Of course, 4.40 and 399½ is pretty close.

His offer of July 29th is this; he says: Referring to my letters of May 31st and June 8th, and yours of June 6th, I am now in a position of making delivery of 29,000 4½ per cent., maturing, 1st January. I enclose statement of interest I expect to make delivery of the other 1,000—here is his statement—Province of Ontario 4½ per cent., 4.40.

MR. CURRIE: Mr. Doherty asked you if somebody went into the market and bought five or ten millions of this stock would it increase the price in London and you said it might. Did anything of that kind occur? Did anything like that occur to appreciate the value of the bonds during that period? You have the statements there of the Bank of Montreal. Did they buy during that period?

A.—No, sir.

THE CHAIRMAN: The Bank of Montreal bought 60,000 pounds and the man only bought 21,000.

MR. CURRIE: But there was no great appreciation.

Would you mind reading the names of the Ministers who passed that—

THE CHAIRMAN: That doesn't appear in the order-in-council.

MR. PRICE: But it is on record. I can get that.

Q.—Were you aware that the purchase made by the Government and others for the Government in England of this inscribed stock didn't appreciate the price of these bonds or this stock until it reached the point where the Government withdrew from the market.

A.—Depreciate or appreciate?

Q.—Appreciate?

A.—Well, I presume when they first started in 1920 that the price commenced to go up, at the time they first started to buy that.

Q.—That was when the Jarvis deal?

A.—Yes.

Q.—You never saw a letter from Mr. Noxon saying prices had gone so high it was difficult to get it?

A.—No, I didn't.

THE CHAIRMAN: But this is taking Bank of Montreal prices on the same date when they were doing it at one quarter of one per cent.

MR. LEWIS: You are chief accountant in the Department?

A.—Yes, sir.

Q.—Are you at all familiar with operations on the bond or stock market yourself?

A.—Well, I have been to a certain extent since the Government started purchasing.

Q.—That is, you have been acquainted with the result of the Government deal, the Government's purchases, but would you consider yourself an expert who would have an opinion of value as to how the market would be affected by purchases or sales? Had you any previous experience that would make you an expert on that?

A.—No, sir.

Q.—You can merely give your opinion not based on any past experience?

A.—Just my own opinion.

C. A. Mathews recalled.

MR. CURRIE: You told us last night that you were private secretary to Mr. Smith for a considerable period before you became Assistant Treasurer?

A.—Yes, sir.

Q.—How many months?

A.—From the time that the change came, I think it was in November.

A.—November, 1919, until September, 1920, then you became Assistant Treasurer?

A.—Yes, sir.

Q.—Are you a chartered accountant?

A.—No, sir.

Q.—Have you any qualifications as an accountant?

A.—No, sir.

Q.—Never passed any examinations?

A.—No, sir.

Q.—Well, you must have had quite a lot of courage to tackle a big business like this without qualifications for accountancy at all. What steps did you take to qualify yourself?

A.—I had eighteen years' experience in the Department, sir, handling bonds and issues and all that sort of thing.

Q.—As private secretary?

A.—I did that work.

Q.—And you had no practical department work?

A.—But I was very conversant with it, sir, after eighteen years.

Q.—But you must have been well versed in bonds and that sort of thing?

A.—Most of the issues that were put out I handled them.

Q.—And you never saw anything particularly in all these transactions we have been listening to for the last two or three days?

A.—That was the policy of the Government.

Q.—You didn't like to say anything to the Minister?

A.—I have discussed the question with him a few times.

Q.—What did you tell him? You knew they were running away with hunks of money?

A.—The object was to buy in succession duty free bonds.

Q.—Regardless of what you paid or what the market price was?

A.—That was a matter for the Government to consider.

Q.—You did not advise the Minister at all?

A.—No, sir.

Q.—Do you think you were doing your duty to the Province?

A.—The Ministers were in just as good a position as I was to make themselves conversant with the position.

A.—But knowing the facts did you know the Ministers were doing their duty, because they are all responsible?

A.—That is the point; I thought they were all responsible.

Q.—So if the Province loses about a million dollars on these transactions, every one of the old Ministers sitting in at the table are responsible for that, because this Committee wants to know how far we can go; that is the custom?

A.—Yes, sir, that is the custom; it is the responsibility of the Ministers

Q.—Not Mr. Smith all alone; all the rest of them?

A.—I think that is responsible government.

Q.—Are you prepared to make the statement that the Government lost a dollar on these transactions?

A.—No, sir, I am not.

MR. LEWIS: In connection with this, some comment about the Home Bank, about this cheque being delivered. Now is this one of the Masons, L. C. Mason, one of the Masons in the Home Bank?

A.—No, sir.

Q.—He was not the general manager?

A.—No relation, sir.

Q.—Do you know who this Mason was?

A.—Yes, sir.

Q.—Who was he?

A.—He was related to me, by marriage.

Q.—What relation was he?

A.—He was married to my step-daughter.

Q.—You knew he was working in the Home Bank at the time?

A.—Yes, sir.

Q.—Where was he living at the time?

A.—I don't remember.

Q.—Has the fact that he signed for this voucher got any significance in this, Mr. Mathews?

A.—None whatever.

Q.—Do you recollect when he came up here? Did you see him? Did you know he came up to get the cheque?

A.—I am not positive.

Q.—The cheque was delivered on the same day, I see, November 17th 1921, same date as the date of the cheque?

A.—Yes, sir.

Q.—Well, did he tell you afterwards at any time he had gotten this cheque?

A.—I can't remember that, sir.

Q.—Did you have any discussion afterwards about it?

A.—No, sir.

Q.—Well, was it about this time you met Hart? You didn't meet him when the original transaction was on. Did you meet him about this time?

A.—I cannot remember when I met him.

Q.—Do you think it might be before this transaction?

A.—I don't know when I met him.

Q.—We will just leave that, Mr. Mathews.

MR. LEWIS: In connection with transactions of this kind would it be right to assume that they would be carried out, negotiated either by the Minister or yourself?

A.—Well, they would always be submitted to the Minister.

Q.—What I mean is, would there be any other official in the Department

who would have authority to carry out negotiations for any such deal as this except yourself or the Minister?

A.—No, sir.

Q.—So that any of these cases, it would be either you, the Minister or yourself, who would conduct negotiations?

A.—Well, I don't think I conducted negotiations in this case.

Q.—I say in all such cases it would be either yourself or the Minister?

A.—Yes, sir.

Q.—Well, you have told us definitely in connection with one of these that you did not?

A.—No, sir.

Q.—You told us definitely, sir, you did not?

A.—To the best of my knowledge I didn't.

Q.—Well, I am taking your evidence as being correct?

A.—Well, it is to the best of my ability.

Q.—You feel sure you didn't conduct negotiations, or they were not opened with you?

A.—No, sir.

Q.—So, in the manner in which the Department was conducted that would mean they were conducted by the Minister?

A.—Well, the explanation I can make of that is that it may have come to me first or to the Minister first. If it came to me first, it would be referred to the Minister.

Q.—Naturally, but your impression is this deal went to the Minister first?

A.—That is my impression.

Q.—And whatever you did was to carry out the details of a transaction referred to you to carry out?

A.—That is my information.

Q.—Did any of the Ministers to your knowledge make any objection to these transactions going through?

A.—I have no knowledge of it.

Q.—Mr. Smith didn't say some of his colleagues were kicking about these transactions?

A.—He didn't discuss that with me, sir.

Q.—You never heard anything about that?

A.—No, sir.

Q.—I was just wondering whether Mr. Doherty was making any.

MR. CURRIE: It has been suggested to me by some members of the Committee that they think it would be advisable to have the witnesses that you called for to-night excluded, because some have listened to what the previous ones say, and it is customary in matters of this kind that they should be excluded. And I don't want to be objectionable but I think it is only fair to the Committee that the witnesses should not know just what the witnesses ahead of them say.

THE CHAIRMAN: I think that is reasonable.

MR. PRICE: I think there are just the bank managers, Mr. Leitch and Mr. Mansfield.

MR. REGAN: And Mr. MacWilliams.

MR. PRICE: Well, that is another matter.

G. M. Hart called; sworn; examined by Mr. Price.

Q.—What is your Christian name?

A.—Garnet.

Q.—What is the second?

A.—Moore.

Q.—Mr. Hart, where do you live at the present time?

A.—6 Ramsom Road.

Q.—Where did you live then at the time this transaction took place we were discussing?

A.—421 Broadview Avenue.

Q.—You heard Mr. Mathews give evidence?

A.—I heard Mr. Mathews say a few things.

Q.—You heard him give evidence?

A.—Yes, sir.

Q.—You heard all that?

A.—Yes.

Q.—That is the transaction we are going to discuss here. At the time, these transactions took place, or you wrote the first letters, what were you working at?

A.—I was in the Royal Bank at the time that negotiations—the first one you are referring to, I believe—I had relieved the manager at the corner of Coxwell and Small Branch.

Q.—That would be, you wrote apparently on May 31st?

A.—Yes, sir.

Q.—Have you copies of those letters?

A.—No, I have not.

Q.—Have you copies of any of these letters?

A.—I have not.

Q.—Did you keep copies?

A.—I kept copies until I took a trip to England one year, one year ago, and I destroyed everything, I did not know whether I was coming back or not.

Q.—May 31st, 1921, you were working for the Royal Bank?

A.—Yes, sir.

Q.—Relieving the manager at the branch?

A.—Coxwell and Small.

Q.—You were living at 421 Broadview?

A.—I was, sir.

Q.—Just let us go—before that where had you been in the Royal Bank?

A.—I had been at Gerrard and Jones; Gerrard and Logan; those are the other two branches, and I had been at Toronto office.

Q.—How long had you been in the bank before that?

A.—I had been in the bank from 1912 to the time of the war and after the war, from 1919 to 1922.

Q.—You went back in the bank when you came from overseas?

A.—Yes, sir.

Q.—Were you at the head office?

A.—I was at the head office of the bank from—the exact dates I cannot remember—when I went on, it was after a sickness I had, but I was in the bank at head office for nearly a year.

Q.—You mean Toronto?

A.—Yes.

Q.—Now in 1921 you were in the branch of the Royal Bank on Gerrard Street?

A.—Gerrard and Coxwell. Well, I was in 1921 also at Gerrard and Jones.

Q.—That was 1063?

A.—No, that was Gerrard and Jones; I was there.

Q.—When you wrote these two letters, what branch of the bank were you at?

A.—Gerrard and—what date is that?

Q.—That is on May 31st, 1921.

A.—I may have been at Gerrard and Jones, or I may have been at Toronto office. The exact date I do not remember.

Q.—Did you have an account? Do you know where your accounts were?

A.—Oh, yes, I had an account at Gerrard and Jones.

Q.—Where else?

A.—I had an account at Gerrard and Jones, naturally, and when this deal went through, I had an account at the Standard Bank.

Q.—Did you have an account also at the head office?

A.—When I was over there, yes.

Q.—Did you continue that account afterwards?

A.—No. I have an account at the present time, Gerrard and Coxwell.

Q.—When you wrote your first letter, May 31st, 1921, had you, had—how did you manage to get in touch so you thought you could write a letter and make a sale of these succession duty free bonds to the Province?

A.—Well, it was a matter at that time of common knowledge. When I first heard of it was in 1920.

Q.—Yes, you are another that heard about the Jarvis deal?

A.—I heard of no Jarvis deal.

Q.—What did you know about it?

A.—I heard that the Government would buy bonds, provided we could not hold of them.

Q.—Who told you?

A.—Why, a friend of mine.

Q.—Who was the friend?

A.—The broker.

Q.—What is his name?

A.—Mr. Ross.

Q.—What firm is he in?

A.—The manager, bond department of the Home Bank.

Q.—And he told you?

A.—He did, sir.

Q.—That the Province was buying these bonds?

A.—Yes.

Q.—Did he say he had sold bonds to the Province?

A.—No, sir.

Q.—Well, did he suggest you sell them to the Province?

A.—He suggested that I could make a little money.

Q.—Said you could make if you sold them?

A.—It is a gambling chance; all quick returns of money are gambling chances.

Q.—Where was the gamble?

A.—The gamble was if we got these bonds and the Government would not buy them, that I was responsible for the loss.

Q.—Who do you mean, we?

A.—Why the manager of the Home Bank and myself—the bond department?

Q.—The manager of the Home Bank?

A.—No, not the manager of the Home Bank. I mean the manager of the bond department Mr. Ross.

Q.—Was he the head of that bond department?

A.—He was, sir.

Q.—I thought a chap named Fleming was?

A.—He may have been before that.

Q.—But in 1921 it was Ross?

A.—Yes, sir.

Q.—And you dealt with Ross, because he told you you could make some money?

A.—I have known Ross ever since I was a youngster.

Q.—And knowing that you came up to see Mr. Smith?

A.—I didn't, sir.

Q.—Who did you see?

A.—I didn't see any person at all.

Q.—You did not get in touch?

A.—I never came here.

Q.—How did you do the business?

A.—Why, I wrote a letter.

Q.—Why didn't the manager of the bond department of the Home Bank write the letter?

A.—Why should he?

Q.—Why should you?

A.—Well, I was the one putting through the deal.

Q.—Well, he was telling you how you could make the money?

A.—Well, that is only a friendly interest.

Q.—Was he loaning the money?

A.—No, sir.

Q.—Did he give you a credit in the Home Bank?

A.—No, sir.

Q.—Did he advance you any money?

A.—No, sir.

Q.—What did he charge you on it?

A.—I cannot remember. I can find out.

Q.—Did you split with him?

A.—I certainly gave him some.

Q.—How much?

A.—That I can't remember either until I get the figures.

Q.—You did not get in touch with the department at all?

A.—I didn't.

Q.—You just acted through Ross, who was kind enough to tell you, money were being made off the sale of these bonds?

A.—That is right.

Q.—And did you know Mathews?

A.—I didn't, sir.

Q.—You knew Mr. Mason?

A.—I knew Mr. Mason. He was in the bond department of the Home Bank.

Q.—Did you receive any of these cheques yourself?

A.—Yes, I received them all.

Q.—Yourself?

A.—At the Home Bank.

Q.—Just see, start on this first. This is the first one here. I see there is a cable about this?

A.—I know nothing of it.

Q.—You know nothing of the cable?

A.—No, sir.

Q.—Where did you get this stock?

A.—I cannot tell you; my broker will tell you that.

Q.—You didn't even buy the stock?

A.—My broker bought it for me.

Q.—And if there is a wire here on the file, August 3rd, the broker must have sent the wire?

A.—I cannot tell you; I don't know.

Q.—Now as a matter of fact, did you write that letter, that letter signed by you on July 29th, or was it Ross wrote the letter?

A.—No, sir, I wrote the letter.

Q.—Where did you write it?

A.—I wrote it in the Home Bank.

Q.—Made out the bill too, in the Home Bank?

A.—Yes, sir.

THE CHAIRMAN: Is Ross here?

MR. HANEY: In view of the fact that the evidence is that Mr. Ross and Mr. Price were joined in this deal, it seems to be a matter of cross-examination by Mr. Price: I would like to suggest that the men in charge of this committee be instructed to see to it that Mr. Ross is not in hearing of the evidence that is given.

THE CHAIRMAN: That is just what we have done.

MR. PRICE: We just want to get the facts?

A.—You will have them, sir.

Q.—Any man who gets a good tip like you do, naturally, you have got a right to the Province.

Q.—Now that we have got Ross disclosed and got him here to give evidence, we will go on with your examination, Mr. Hart. This is your signature on the back of this cheque, the first cheque?

A.—That is my signature.

Q.—And you are 421 Broadview Ave.

A.—Yes, sir.

Q.—Well, you didn't put on them—these transactions, as these were all being carried out at the Home Bank; you didn't put Home Bank?

A.—Didn't see any necessity.

Q.—Didn't put the address of the Royal Bank, where you were doing business?

A.—No, sir.

Q.—You put your home address?

A.—Yes, sir.

Q.—Then, being manager of the branch of the Royal Bank, and also doing business with Mr. Ross of the bond department of the Home Bank, you must have been busy going back and forward?

A.—I was not very busy, sir.

- Q.—When would you go down and write these letters and make offers?
A.—Well, that was after the bank closed.
Q.—Well, this first cheque of \$127,790.02, do you remember receiving that cheque?
A.—I do, sir.
Q.—Where did you receive it?
A.—From the manager of the bond department of the Home Bank.
Q.—He had the cheque down there?
A.—He did.
Q.—He got it on August 3rd?
A.—I don't know when he got it.
Q.—Just look at it; you are a banker, so we will know positively what time that cheque was drawn?
A.—August 3rd.
Q.—Home Bank doesn't appear on it. It was the Standard. When was that cashed?
A.—Presumably on August 3rd.
Q.—Well, what does the stamp say?
A.—August 3rd.
Q.—August 3rd, and the date was August 3rd, and what bank cashed it?
A.—Standard Bank.
Q.—You opened an account there?
A.—I did, sir.
Q.—You did not have any account there before?
A.—No, sir.
Q.—Why didn't you open up in the Home?
A.—The cheque was drawn on the Standard and I deposited it there.
Q.—I suppose if it had been drawn on the Toronto, you would have deposited at the Toronto?
A.—I would have, sir.
Q.—But you went down there with this, and you deposited it. And how did you open your account; it doesn't look as if it was deposited?
A.—It was deposited.
Q.—Well, it doesn't look as if—
A.—Well, I can't help that, it was deposited.
Q.—Look at the cheque and tell me if it appears here it was deposited?
A.—Well, each bank may have a separate system of showing how they do the deposit.
Q.—It is a bank cheque, a cheque without anything on the back. When did you go in with you?
A.—Myself.
Q.—Who identified you?
A.—No person.
Q.—You went in with that cheque and opened up an account without any identification?
A.—Yes, sir.
Q.—Said, I am Hart with a cheque from the Province for \$127,791.02?
A.—Yes, sir.
Q.—I am Hart, and I want to open this bank account?
A.—Yes, sir.
Q.—You mean to tell us that?

- A.—Yes.
- Q.—On the third?
- A.—Yes.
- Q.—Before bank hours?
- A.—No, sir.
- Q.—Oh.
- A.—A few minutes after three.
- Q.—Then you got from your branch down to the Home Bank, back up with the cheque. Did Ross go with you?
- A.—No, sir.
- Q.—Mason go with you?
- A.—No, sir.
- Q.—You got the cheque and went over there and opened an account a few minutes after the time?
- A.—Yes, sir.
- Q.—Who with?
- A.—I think the assistant accountant.
- Q.—Do you know his name?
- A.—No, I haven't any idea.
- Q.—What did you do with that money?
- A.—What money?
- Q.—\$127,791.02. What did you do?
- A.—I paid the Home Bank for their bonds, the balance left to myself.
- Q.—What balance did you have left?
- A.—\$11,500.
- Q.—You didn't do much better business than Harris. He got stung?
- A.—I was not looking for a quick turnover on money to any great extent.
- Q.—You and Harris both let them beat you?
- A.—I don't know anything of Harris.
- Q.—Had you ever bought any before?
- A.—I bought stock.
- Q.—Succession duty free bonds?
- A.—No.
- Q.—Had you any prices of them in the old country?
- A.—I don't know as I had.
- Q.—Had you followed prices at all?
- A.—In the old country?
- Q.—Did you know whether this was a good deal or not?
- A.—No, I don't think I did.
- Q.—How did you know you could sell them to the Province?
- A.—Well, my broker told me the Province was buying them.
- Q.—Now Ross told you the Province was buying?
- A.—Yes.
- Q.—And on Ross' say you bought the bonds.
- A.—Yes, sir.
- Q.—You did not get in touch with the Province?
- A.—No, sir.
- Q.—Or inquire whether this was a good deal?
- A.—No, sir.
- Q.—But you knew from your broker you could turn them over?
- A.—I took his word that it was a good deal.

Q.—What did you do with the \$11,000?

A.—Spent it.

Q.—Well, I think we will have your account. Why didn't you deposit in the Royal?

A.—Well, at the time, sir, I imagine the Royal Bank would wonder what I was doing with \$11,000.

Q.—I suppose it would take you ten years or so to make that?

A.—More, sir.

Q.—Well, that is a pretty good deal. I don't blame you for trying to make it, if your broker told you?

A.—Well, I told you, sir, he has been a friend of mine and we played together.

Q.—Well, you played pretty well together this time.

Q.—Well then, that is number 1. Have you got your account, copy of your account?

A.—No, sir, I can get it.

Q.—Have you your bank book?

A.—No, sir, I haven't got it.

Q.—What did you do with your bank book?

A.—Well, I don't want to appear to joke, but last time I used it, I played bridge with it.

Q.—Well, that was a more speculative game than this. This was not even poker?

A.—No, sir.

Q.—Did you make any other deposits in that account in the Standard Bank?

A.—No, sir.

Q.—That was the only deposit?

A.—Yes, sir.

Q.—Well, we will just get the bank books from the manager and we will see what you did with that. The next deal was on November 17th, 1921. Now this was Merchants Bank?

A.—Yes, sir.

Q.—You did not deposit that in the Merchants.

A.—No, I was down town at the time.

Q.—Well, you were down town when you had the Standard one, but you say, when you get a cheque on the Standard, you deposited in the Standard. Now, this is the Merchants?

A.—Well, we come back to that large amount again. That amount was not so bad. That was not so appalling.

Q.—This is a small amount, \$4,408.50. And where did this cheque go? You endorsed it. Just tell me what you did with that cheque?

A.—That cheque was deposited, at least was cleared by the savings teller. I presume it was deposited.

Q.—That is the Royal?

A.—Yes, sir.

Q.—The head office?

A.—Yes, sir.

Q.—Did you have an account there?

A.—I did.

Q.—At that time?

A.—Yes, sir.

Q.—You had an account before you deposited this cheque?

A.—To the best of my knowledge.

Q.—Have you that account with you?

A.—No, sir.

Q.—I may say, for Mr. Hart, we were not able to serve him until late in the afternoon and I don't think he has had much time to get his papers?

A.—5.30.

Q.—What business are you in?

A.—At the present time, I am working for the Metropolitan Life Co.

Q.—You were in the boot and shoe business?

A.—Yes, sir, Gerrard Street.

Q.—And now in the insurance business. I suppose the banks really don't want you to do this business on the side, do they?

A.—Well, they are not horribly keen.

Q.—On this cheque in voucher 2385, the cheque on the Merchants Bank, November 17th, \$4,408.50, I see Mr. Mason received that. Now when you went down to the Home Bank to get this one—did you go down?

A.—I presume so.

Q.—Well, it is paid November 19th?

A.—Yes, sir.

Q.—Dated, November 17th?

A.—Yes, sir.

Q.—It is cleared; it was paid at that time. Just explain what clearing means?

A.—Well, I have now been three years out of the bank. I will have to bring my memory back. A cheque, when it is cleared is stamped on the back. I think I am correct, it is cleared two days in advance and it is cleared from head office and goes to the bank, the head office of the bank in which it is drawn. In this case, it went from the Royal Bank to the Merchants Bank.

Q.—That is right; it took two days. When you got down to the Home Bank with this cheque, did any one accompany you over to the Merchants?

A.—I didn't go to the Merchants.

Q.—You deposited in your account in the Royal?

A.—Yes, sir.

Q.—Did any one go with you from the Home to the Royal?

A.—No, sir.

Q.—Did Ross or Mr. Mason?

A.—No, sir.

Q.—No one accompanied you?

A.—No, sir.

Q.—Did you have anything to do with the delivery of this stock to the Province?

A.—No, sir.

Q.—Did you ever have any of this stock in your hand?

A.—No, sir.

MR. CURRIE: Never saw it?

A.—No, sir.

Q.—You never paid for the stock before the Government paid you?

A.—My credit was good.

MR. CARR: Surely the Government would not give him money for these bonds before they received them?

MR. PRICE: Same day. They sent someone up from the Home Bank with the bond, got the cheque, delivered the bonds, the cheque went back to the Home Bank bond department, he called that night at the Home Bank, got the cheque before the bank closed, deposited the first cheque in the Standard, desposited the second in the Royal; that is the history.

MEMBER: They sent a messenger up to protect themselves?

MR. PRICE: Same transaction. Never invested a cent on his part?

A.—No, sir.

MR. PRICE: This next transaction, February 20th, 1922, cheque for \$5,323, and that is on the Merchants Bank too?

A.—Yes.

Q.—And that was deposited in the Royal?

A.—Yes.

Q.—At that time the bank did not seem to worry about you making five thousand?

A.—Well, I think the bank at that time knew I was worth \$5,000, not in actual cash, but I had securities for that amount anyway.

Q.—Were you worth \$5,000 before you made the first \$11,000?

A.—I was, sir.

Q.—You had that in the Royal?

A.—No, not in the Royal.

Q.—Well, I was going to say, if the bank knew you were worth \$5,000, then before you made the first—

A.—The bank knew I owned property which was left to me.

Q.—But the second time, they knew you had cash in the bank?

A.—I presume they did.

Q.—Because it was in their bank?

A.—They would see it.

Q.—Did part of it come over from that \$11,000 in the Standard?

A.—No, sir, none of that came over.

MEMBER: What bank does he mean when he says bank?

A.—My own bank.

Q.—Home?

A.—No, the Royal.

MR. PRICE: Where he had his account at the head office.

MR. CURRIE: When did you start banking?

A.—In the year 1912.

Q.—Where?

A.—At the Royal Bank, Gerrard and Jones.

Q.—Where did you come from originally? Native of the city?

A.—All but a year.

Q.—Were you ever in Dundas?

A.—Dundas?

Q.—Yes.

A.—Never.

Q.—Any relations?

A.—No, sir.

Q.—Any relation to Hart of the Dundas Stone Co.?

A.—Don't know him.

Q.—Any relation to Snyder?

A.—No, sir.

Q.—Any relation to Mr. Harris?

A.—No, sir.

Q.—Any relation to any one in the Treasury Department?

A.—Absolutely no, sir.

Q.—None at all?

A.—No, sir.

Q.—Do you know any of the Ministers?

A.—No, sir, not one—only by name, when I read them in the paper.

Q.—How did you split with him? This was a pretty good trade?

A.—Gambling chance. The exact amount I cannot tell you until we get figures. We can get you figures of what my broker received from me; the exact amount I cannot tell you.

Q.—Your broker could?

A.—Yes.

Q.—Who do you call your broker?

A.—Mr. Ross.

Q.—Mr. Ross of the Home Bank?

A.—Yes, sir.

Q.—Does he run the brokerage department there?

A.—He did, sir.

Q.—You didn't buy Home Bank stock with that?

A.—No, sir.

Q.—Give us approximately how you divided this to-night?

A.—Well, I can't, sir. I cannot remember the figures.

Q.—Did you divide 50-50?

A.—No, sir.

Q.—Who got the long end?

A.—I did.

Q.—You?

A.—Yes, sir.

Q.—Do you mean to say you received \$11,500 without touching anything, you don't know how you divided that money?

A.—No, I didn't say that; I know how I divided, but I cannot tell you amount.

MR. CARR: You know mighty close to it?

A.—I cannot say offhand.

Q.—Were you and Ross the only partners?

A.—Yes, sir.

Q.—You don't know whether Ross had a partner?

A.—I cannot say, sir.

MR. DOHERTY: It has been suggested you made no investment. Did incur any liability in the purchase of these securities?

A.—No, sir. But I stood prepared with real estate to back up any loss which might occur, providing the Government would not buy the bonds when they got them.

Q.—Or pay the price?

A.—Or pay the price.

Q.—Did your broker assume liability, or you?

A.—I was.

Q.—Well, you were the one that had the liability?

A.—I was absolutely liable.

Q.—Well, you said first you were not.

A.—There was no deposit.

Q.—You gave the order to your broker to buy these bonds for you?

A.—Yes, sir.

Q.—Therefore you assumed the liability?

A.—Yes, sir.

Q.—How long before you bought these bonds did you give the order?

A.—About six months.

MR. CURRIE: Ross, you say, was in the bond department?

A.—He was.

Q.—Acting for the Home Bank, bond buyer and seller?

A.—He was.

Q.—Didn't you think it was peculiar for a man acting in that capacity and able to make a deal of that kind, that he did not pass the money over to the bank that he was making money for?

A.—I presume the bank made a profit.

Q.—How much?

A.—That I cannot tell you.

Q.—The Home Bank made a profit?

A.—I presume so.

Q.—Was that the reason that you came in, that he didn't want to do for the banking business?

A.—I cannot say.

Q.—Did he bring you in and let you do the deal?

A.—I did the deal.

Q.—You did the buying?

A.—Yes, sir.

Q.—Well, that was the reason, wasn't it. That was the reason you did the buying because he was in the brokerage business for the bank?

A.—No.

Q.—You take the position that the Home Bank got a commission as bank for putting through the deal?

A.—I presume so.

Q.—And then you divided your profits with Ross?

A.—Well—

Q.—No other member of the bank or official received any profit?

A.—No, sir.

Q.—You two men were working for the bank?

A.—No, I was not working for the Home Bank.

Q.—He was?

A.—Yes, sir.

Q.—And the Home Bank financed this transaction up to the point where you got the bonds to turn them over?

A.—I presume so.

Q.—Aren't you sure of it?

A.—Well, Ross bought the bonds.

Q.—Did you sell the bonds before you had purchased?

A.—The bonds were in the city of Toronto before the Government wrote them.

Q.—Did you possess the bonds before they were sold to the Government?

A.—No, sir.

Q.—You had a sure thing?

A.—We thought so.

Q.—Did you tell Mr. Ross that you had sold the bonds?

A.—Mr. Ross knew I was selling them.

Q.—Knew you were selling them?

A.—Certainly.

Q.—He knew the profits you were making?

A.—No, sir.

Q.—When did he find out?

A.—I presume he found out when he got the bonds.

A.—Did the bank have the bonds before you sold them?

A.—Yes, sir.

Q.—They had the bonds?

A.—Yes, sir.

Q.—Wouldn't it appear to you as a bank man, it was a straight thing, if Ross could make so much money, that he was acting for the bank, that he should put the transaction through for the bank?

A.—No, sir.

Q.—Didn't seem queer?

A.—No, sir.

Q.—Here he was employed by the Home Bank as their bond buyer and he had an opportunity to make—how much did you make?

A.—\$11,500.

Q.—And instead of making the \$11,500 for the bank, he sells the bonds to you at a small profit and you make the long end of it and then divide. Don't you think that was peculiar?

A.—No, sir.

Q.—Do you know if Ross had any arrangement with the bank to divide the profits?

A.—I don't.

Q.—Do you know what his duties were?

A.—No, sir.

Q.—Or his arrangement with the bank?

A.—No, sir.

Q.—Was he to get any commission on transactions he put through or was he paid by salary?

A.—I don't know.

Q.—Did you ever see Peter Smith?

A.—I never did.

Q.—Are you acquainted with Mr. Drury?

A.—I am not.

Q.—Or with any of the members of the late Government?

A.—I am not.

Q.—What did you think of the transaction you put through anyway?

A.—I thought it was quite all right.

Q.—Were you paid anything by Ross to handle this transaction, to put the business through for the bank?

A.—Not one cent.

Q.—When did you get acquainted with Ross?

A.—I have known him since we were knee high.

Q.—Who is Mason; any relation to the General Manager, James Cooper Mason?

A.—I cannot say.

Q.—You thought it was all right for you to make that amount of money?

A.—I did.

Q.—Were there many others getting into this thing?

A.—I cannot tell you.

Q.—Any others being managed by the Home Bank?

A.—I cannot say.

Q.—Do you know if Ross has fallen godmother to anybody else but yourself?

A.—I don't.

Q.—Didn't it strike you that you were being used as a kind of catspaw for Mr. Ross?

A.—No, sir.

MR. McCAUSLAND: Banks have brokerage departments.

A.—The Home Bank did.

Q.—Was their calling you up and saying they could make a deal in which you could make some money the first suggestion?

A.—Purely friendship between Ross and myself.

Q.—They called you up and said you could buy in a certain number of bonds and you become responsible for the bonds and they put through the deal in the Home Bank and whatever profit was coming to you—

A.—Yes, sir.

Q.—That is what happened?

A.—Yes, sir. It was in conversation with Ross and myself that the thing came up.

Q.—Same thing. If I was a broker and called you up, and said buy 200 shares of C.P.R. and put through a deal on the Bank of Montreal, so you were responsible for those bonds?

A.—Absolutely.

Q.—If there was a loss?

A.—Absolutely, I was liable.

Q.—You made a profit, because a profit was made?

MR. CURRIE: What commission did you pay Ross? Was there any arrangement?

A.—No, sir.

Q.—It was a divvy?

A.—Yes, sir.

Q.—Is that a customary thing for the banks in town to have a bond department?

A.—I don't know.

Q.—You are a banker, you have been in a bank?

A.—Well, I was never in the bond department.

THE CHAIRMAN: You were junior?

A.—No, sir, acting manager.

Q.—Do you mean to tell me you never had any dealings directly or indirectly with Mr. Smith, and you, an obscure suburban branch, write to the Provincial Treasurer without any arrangements of any kind?

A.—Absolutely.

Q.—Did anybody indirectly or directly have anything to do with it?

A.—No person, sir, in connection with the Government ever approached me on it.

Q.—I am not asking you that. But do you want this Committee to believe somebody in the suburban branch can write the Provincial Treasurer and make a deal for \$100,000, without introduction or standing?

A.—I am afraid they will have to.

MR. LEWIS: Mr. Ross as a friend of yours suggested this to you?

A.—Yes, sir.

Q.—Did you give him a written order to buy these bonds?

A.—No, sir.

Q.—Supposing the Government had not bought them you would not really have been liable?

A.—Absolutely.

Q.—You didn't give any written undertaking?

A.—Ross knew I would pay whatever loss there was.

Q.—You gave your word you would buy the bonds or stand the loss?

A.—Yes, sir.

Q.—They would not have gone back to the place they came from. Did you really think you were taking any chance?

A.—Well, I don't know, sir, it was a gambling chance.

MR. NESBITT: Was there any arrangement made for the purchase of these bonds either with you or Ross before they were purchased?

A.—That I cannot say, I don't think so.

Q.—You didn't have anything to do with the transaction at all?

A.—No, sir.

Q.—Did you have any understanding from Ross that the Government would buy these bonds?

A.—No more than they might do if the price was right.

Q.—You just lent your name to the transaction?

A.—That is all I did.

Q.—You just simply got them by lending your name to the transaction so if anything had gone wrong—

A.—We could have carried it out.

Q.—You had sufficient money?

A.—That is to meet any loss.

Q.—Between the difference of the prices of the bonds?

A.—Yes, sir. I presume the bonds would not have been hard to sell back.

Q.—But you could have met the loss?

A.—I certainly could, sir. I could have met this loss.

A. D. Leitch called; examined by Hon. Mr. Price.

Q.—What is your position?

A.—Manager of the Standard Bank, main office.

Q.—Toronto office! And what do you produce?

A.—Record of Mr. Hart's account.

Q.—Is there more than one account?

A.—No, sir.

Q.—This is the original ledger sheet?

A.—The original ledger sheet.

Q.—Have you a copy you can leave with us?

A.—I have a copy; you can keep this.

Q.—This is the original but we can keep it. Exhibit 74. And do I understand this is the only account he has had with your branch?

A.—As far as I can find out.

Q.—The ledger sheet is headed Garnet Moore Hart, blank for occupation, address, phone numbers, all blank?

A.—They are on the signature card.

Q.—And the account opens August 3rd, 1921, with a deposit of \$127,791.02 and then various checks through until the account is closed practically in September 10th, and then an entry in December 30th at the end of the year?

A.—Worked down to a balance of 99 cents.

Q.—Have you got the vouchers for these?

A.—Yes, sir, they are right here.

Q.—This is his specimen signature?

A.—Yes, sir.

Q.—That will be Exhibit 75? Specimen signature card, signature Garnet Moore Hart, address 421 Broadview Avenue, occupation gentleman, date July 30th, 1921; that is gentleman?

A.—Supposed to be, yes.

Q.—You mean that is what the writing is?

A.—Yes, sir.

Q.—What is this on the back?

A.—I think that has nothing to do with it unless it is a record of his address—just a memo.

Q.—Collect Royal Bank something or other, Jones?

A.—That has to do with identification of Mr. Hart.

Q.—Will you produce the vouchers?

A.—The vouchers?

Q.—11 checks incident to the ledger withdrawals?

A.—Yes, sir.

Q.—We will fasten them together; Exhibit 76. Have you any personal knowledge of this at all?

A.—No, sir.

Q.—I mean do you know anything about any of these items that we should go into with you?

A.—No, sir, not outside of the information on the items themselves.

Q.—Well the first one I see is August 4th, 1921, to the Home Bank?

A.—Yes.

Q.—Of Canada, \$116,286.13. What is that notation?

A.—Signature guaranteed by the bond department of the bank.

Q.—The amount is repeated in words and then there is a notation here, signature guaranteed, the Home Bank Bond Department. That was for your protection?

A.—Yes, sir.

Q.—And that went into the Home Bank August 4th; that was apparently to take up—do you know what it was for?

A.—I have no idea.

Q.—Well, we will run over these rapidly. The next check, the same date, August 4th, Alexander Ross, \$10,004.89; do you know who Mr. Ross is?

A.—No, sir. It is endorsed Union Bank.

Q.—It is endorsed Alex. Ross. The check is the same date, August 4th,

payable to Alex. Ross \$10,004.80, endorsed Alex. Ross and apparently cleared through the Union Bank?

A.—Yes, sir.

Q.—You have no knowledge of that at all?

A.—No, sir.

Q.—Third check on August 4th?

A.—Pay Bailey Drummond Motor Co., Ltd.

Q.—\$1,200. Do you know what that is?

A.—It is endorsed by the motor company, deposited.

Q.—Endorsed by the motor company and cleared through the Royal Bank, August 5th. Do you know anything about that firm?

A.—No.

Q.—And then fourth check, also August 4th, to A. N. Burns for \$60 for rent of 423 Broadview Avenue \$60. You have no knowledge of that?

A.—No.

Q.—Then one August 5th to Bailey Drummond Motor Co., for \$5,000?

A.—Yes, sir, deposited Royal Bank.

Q.—Cleared through the Royal Bank and endorsed Bailey Drummond Motor Co.

Q.—Another August 4th?

A.—E. C. Tate.

Q.—For \$5,282, deposited to the credit of Dr. K. Heffering at the Home Bank, Broadview Avenue, by the Manager per W. B. Then another one, August 5th, pay to the Adams Furniture Co. \$10, endorsed by the Adams Furniture Co., and cleared through the Royal Bank; next cheque August 11th, 1921, to cash \$70, endorsed by Hart, G. M. Hart, and cleared through the Royal Bank, Coxwell and Small Branch. Another cheque August—no date?

A.—No, sir.

Q.—August blank, 1921, on the Standard Bank, Toronto, pay to the House of Fashion, \$29.50, endorsed by the House of Fashion and cleared through the—?

A.—Imperial Bank, Yonge and Ann.

Q.—Next cheque, August 15th, to the—?

A.—Metropolitan Life.

Q.—Insurance Co. for \$17.66, endorsed F. R. Koe and cleared through the Canadian Bank of Commerce. Last cheque, September, 1921, to the Standard Bank, paid to cash?

A.—Yes, sir.

Q.—\$3. Cleared through the Royal Bank. So that, putting it briefly, there was a deposit of \$127,791 August 3rd and it was all cleared out except \$3 by the 17th of August?

A.—Yes, sir.

Q.—Can you see any information as to this \$10,000 on August 4th, to Ross?

A.—No, sir. That was a cheque payable to Alexander Ross, endorsed by him.

Q.—Do you know who he is?

A.—Apparently the Home Bank man.

Q.—He is the bond man?

A.—Apparently it seems to be the same signature.

Q.—What else?

A.—Nothing except I traced that cheque, Province of Ontario cheque.

Q.—That is the deposit?

A.—Yes.

Q.—Well, we have the original voucher.

MR. GRAVES: What is the difference between the amount paid to the Home Bank for the bonds and the amount paid to Ross and the amount received. In other words, that I think would represent what this gentleman had for himself.

THE CHAIRMAN: Briefly it is this: that he deposited in round sum \$127,000 to his credit. \$116,000 went to the Home Bank for these bonds. \$10,000 went to Ross; \$1,200 to a motor company, and the others are small cheques of \$60, \$50, \$10, \$70, \$29. Well, Ross must have given him back some of this money.

MEMBER: His balance is \$1,500.

MR. GRAVES: Oh well, in his evidence he said he kept the big proportion; apparently Ross got the big proportion.

THE CHAIRMAN: I suppose it went to Ross as far as these vouchers show.

Q.—\$1,500 difference after the cheque to Ross?

A.—Yes.

Mr. Hart recalled.

MR. PRICE: You are already sworn?

A.—Yes, sir.

Q.—This bank statement is produced by the Standard Bank and these vouchers. Now before we go into this, did you keep a book of record or anything of this transaction?

A.—No, sir.

Q.—No record?

A.—No.

Q.—Was there any agreement between you and Ross in writing?

A.—No, sir.

Q.—All verbally?

A.—Yes, sir.

Q.—No minute records of it?

A.—No, sir.

Q.—You had a bank book?

A.—Yes.

Q.—And it went, it is gone?

A.—That is absolutely true.

Q.—You mean it is destroyed?

A.—Yes, sir.

Q.—Lately?

A.—No, it is some time ago.

Q.—Within the last week?

A.—No, it is before I went away.

Q.—However, this account is correct?

A.—As far as I remember the account is correct.

Q.—You have no complaint?

A.—No.

Q.—The first cheque we find after the deposit is this to the Home Bank, \$116,286.13. I suppose that represented purchase money of the securities that were handed over to the Province?

A.—Yes.

Q.—Did that include any brokerage and accrued interest and everything else

A.—Well, I cannot say. I presume it did include brokerage.

Q.—Accrued interest and everything?

A.—I presume so.

Q.—So that represented your total disbursement in connection with this?

A.—To the Home Bank, yes.

Q.—Or to anyone else?

A.—Yes.

Q.—Well, the next, I think, is cheque to Alex. Ross for \$10,004.89?

A.—Yes.

Q.—That is Ross, your friend, the bond man of the Home Bank?

A.—Yes.

Q.—It is payable to him on the Standard Bank. He clears it through the Union Bank?

A.—Yes.

Q.—He doesn't put it in his own bank?

A.—Well, I think you can understand the reason why.

Q.—Same reason as yours. Didn't want his own people to know what he was doing?

A.—That is it.

Q.—Now will you explain why it was done in this way. Why you paid it back to him?

A.—I gave it to Mr. Ross to buy some bonds for me and also Mr. Ross got his commission out of it.

Q.—How much of it went in commission? You mean profit?

A.—Absolutely.

Q.—Were you 50-50?

A.—No, sir.

Q.—What was the proportion?

A.—I cannot remember until I get the figures.

Q.—You can tell us roughly? 50-50?

A.—No.

MR. SINCLAIR: Did you give him a thousand dollars?

A.—No, he got more than that.

Q.—\$2,000?

A.—I think he got about \$2,500, around there.

MR. PRICE: Well, why didn't you tell us that when we asked you? You mean to say you actually gave him that cheque partly for his profit and the balance to invest?

A.—Yes, sir.

THE CHAIRMAN: You really mean, that is what you mean?

A.—I do, sir.

Q.—And he invested that?

A.—Yes.

Q.—In bonds?

A.—Victory bonds.

Q.—Have you got the Victory bonds?

A.—No, sir.

Q.—Did you ever get them?

A.—Yes, sir.

Q.—What did he buy, Victory bonds?

A.—Yes.

Q.—Do you know what maturity?

A.—I don't remember.

Q.—Payable to bearer?

A.—Yes, sir.

Q.—What was the total?

A.—I think it was between 77—either 75 or 77.

Q.—Hundreds?

A.—Yes, sir.

Q.—\$7,500 and \$7,700, and what denominations?

A.—That I don't remember, all the denominations.

Q.—In thousands?

A.—No, sir.

Q.—What did they amount to?

A.—Hundreds and fifties.

Q.—The whole thing?

A.—Yes, sir.

Q.—What was the object in that?

A.—Well, I wanted to have them, and I got rid of them on the trip to the old country.

Q.—The trip to the old country didn't come until some time after?

A.—No, sir.

Q.—How long after? That was last year?

A.—Yes.

Q.—1923?

A.—No, 1922.

Q.—So this was done in August, 1921, and you made your trip to the old country in the summer of 1923?

A.—In the fall of 1922.

Q.—Well, a little over a year after?

A.—Yes, sir.

Q.—And do you want to tell the Committee that you deliberately got these bonds in denominations of fifties and hundreds, which would mean some thousands of bonds?

A.—There may have been other denominations.

Q.—Hundred odd bonds anyway, and you ordered that and got them that way on purpose?

A.—Yes.

Q.—To provide for a trip to the old country which you took fifteen months afterwards?

A.—Well, it was necessary to provide for that trip to the old country; they helped.

Q.—Why did you get them in fifty and hundred dollar denominations, payable to bearer? Why did you do that in August, 1921?

A.—No particular reason why I did it.

Q.—It is an extraordinary thing to do?

A.—Well, bonds are better than carrying bills.

Q.—But you might as well have had a \$5,000 bond and a couple of thousands?

A.—Might as well, but fifties and hundreds are easier to get rid of.

Q.—Coupon bonds?

A.—I think so.

Q.—Payable to bearer with coupons attached?

A.—I think so.

Q.—So there would be no way of tracing them?

A.—I had no object in having them.

Q.—Your object was to get them so they could not be traced?

A.—Not necessarily so.

Q.—Why did you get this large number of bonds, fifties and hundreds?

It would run considerably over a hundred documents with coupons attached, which increased your labour?

A.—Not an awful lot.

Q.—Why did you do it? These were all payable to bearer and could be lost?

A.—They were not going to be lost as far as I was concerned.

Q.—Cannot you give the Committee any object?

A.—No sir, I cannot.

Q.—It seems an extraordinary thing to do. Well, what became of them?

A.—Well, I sold them.

Q.—Who to?

A.—Well, that is hard to say.

Q.—Tell us, the bulk of them?

A.—The bulk of them were sold in the old country.

Q.—When?

A.—In the end of 1922 and the beginning of 1923.

Q.—How many were sold in the old country?

A.—I cannot tell you the amount.

Q.—Roughly, within \$100 or \$200?

A.—About \$5,000 worth.

Q.—You took \$5,000 over there?

A.—Yes, sir.

Q.—Sold them?

A.—Yes.

Q.—Through whom?

A.—I cannot remember.

Q.—Well, in one place?

A.—No, not all.

Q.—You mean to say you peddled them out?

A.—Wherever I went.

Q.—You carried them around and passed up \$50 or \$100 whenever you felt like it?

A.—Yes, sir.

Q.—Do you mean to tell me the people in the old country are sufficiently familiar with Canadian bonds to let you do that without big loss?

A.—Yes, sir.

Q.—What discount did you have to give?

A.—I don't remember any.

Q.—But you would have to give a discount?

A.—Very little.

Q.—Did you handle any through the Bank of Montreal, or Royal?

A.—No, sir.

Q.—Hotels and tradesmen?

A.—No, sir.

Q.—Who did you get rid of the \$5,000 to?

A.—Split all over the country.

Q.—Who got the big items?

A.—No special big items?

Q.—Fifty here and 100 here, all over. Have any friends over there?

A.—I was staying with friends, yes.

Q.—Can you tell us anybody that knows anything about these transactions in the old country?

A.—No, sir.

Q.—Can't you give us the name of a single person? Who did you stay with?

A.—A brother-in-law, Folkestone.

Q.—Would he know anything about it?

A.—I don't believe he does.

Q.—He didn't know you had \$5,000 in 50 and 100—

A.—He knew I had a considerable sum of money.

Q.—In Victory Loan?

A.—I don't think so.

Q.—Anybody else in the old country?

A.—I don't think so.

Q.—No way you can possibly corroborate this extraordinary statement for the Committee?

A.—No, sir.

Q.—Before you left you got rid of the difference, \$2,000 odd in Canada?

A.—Yes.

Q.—Who got them?

A.—Ross sold them.

Q.—Well, everything except the \$5,000 you took to the old country?

A.—Yes. All bar the fifty one.

Q.—Who got the fifty?

A.—You have got me. I know there was 50 he didn't get.

Q.—Ross got everything but \$50?

A.—Yes.

Q.—And did he account for it?

A.—Yes.

Q.—Did you get a statement?

A.—No, sir.

Q.—Do you know when he did it? We know when you got them; you got them immediately after this?

A.—Yes, sir.

Q.—That would be the fall of—immediately after he got this cheque, 4th of August, you got the bonds immediately?

A.—Shortly after.

Q.—Within what time?

A.—That I cannot remember.

Q.—Well, you would not let Ross have the money and put in it bonds?

A.—Well, I was in no hurry to get anything from Ross.

Q.—You were satisfied to trust him?

A.—Absolutely.

Q.—And he got rid of the \$2,000 odd before that fall?

A.—Yes, sir.

Q.—I want to know who he got rid of it to?

A.—I cannot tell you.

Q.—These are bearer bonds?

A.—Yes, sir.

Q.—These are bearer bonds; were any handed over to arrange this deal; was any handed over to anyone directly or indirectly to arrange this deal?

A.—No, sir.

Q.—You swear nobody got anything as a commission or payment for arranging this deal?

A.—No, sir.

Q.—Do you know what Ross did with them?

A.—I don't, sir.

Q.—You didn't get them all?

A.—I got my share of them.

Q.—How much did you get?

A.—I think about \$7,500 or \$7,700.

Q.—You had \$7,000, Ross \$2,500.

A.—Yes.

Q.—What did he do with them?

A.—Sold them.

Q.—Hand the money over to you?

A.—He did.

Q.—All but one item?

A.—Very nearly.

Q.—Well, what did you do with the money?

A.—Spent it.

Q.—What bank did you put it in in the interval?

A.—I didn't put it in a bank.

Q.—When you sold \$2,000 worth of bonds you didn't put the money in the bank?

A.—I have carried around on my person \$3,000, \$4,000 at a time.

Q.—Did Ross hand the money over to you in cash?

A.—Yes, sir.

Q.—Ross would not use a cheque?

A.—No, sir.

Q.—He handed the money over to you in cash?

A.—Yes.

Q.—Where?

A.—At my home.

Q.—How soon after?

A.—I cannot remember that.

Q.—A few days?

A.—No, more than a few days.

Q.—A week?

A.—Longer.

Q.—Two or three weeks?

A.—Yes.

Q.—The truth is that you got \$2,000 and \$5,000 in bonds?

A.—Yes.

Q.—And you want the Committee to believe you stuck that \$2,000 odd dollars which you got in cash—do you remember what bills that was on?

A.—Yes, sir, I had thousand dollar bills.

Q.—Thousand dollar bills?

A.—Yes, Dominion of Canada.

Q.—Legal tender?

A.—Yes, sir.

Q.—More stuff that cannot be followed?

A.—Not necessarily cannot be followed.

Q.—Well, that is the fact—bearer bonds, legal tender?

A.—You cannot follow a \$10 bill no matter what bank it is on.

Q.—But it is on a bank and you have some chance, but a Dominion bill you haven't any chance?

A.—No, sir.

Q.—And a bearer bond you haven't?

A.—No.

Q.—And that was the reason it was handled?

A.—Not necessarily.

Q.—That was the reason?

A.—I don't think so.

Q.—Will you swear to the committee that you and Ross did not handle this money in bearer bonds and legal tender for the purpose of being able to conceal the purpose for which it was used?

A.—I don't think so.

Q.—You will only go, you don't think so?

A.—Well, I know I didn't do it to conceal anything.

Q.—You think he may have?

A.—I don't think so.

Q.—You wanted to hide it from the Royal Bank?

A.—Naturally.

Q.—And he wanted to hide it from the Home Bank?

A.—I cannot say.

Q.—Well, you think that is right?

A.—I would not be surprised.

Q.—And you didn't want the Government to know what was done with it?

A.—I never had a thought of the Government in my mind.

Q.—Do you mean to say none of it ever got to any Government official?

A.—I don't think so and I didn't give any of it to any Government official.

Q.—Directly you didn't give any?

A.—Absolutely no.

Q.—Indirectly you—

A.—I cannot say so.

Q.—It may have gone?

A.—I don't know.

Q.—Somebody would have to be greased for this?

A.—I don't think so.

Q.—Well, you are not such a fool that you didn't know \$100,000 isn't handed over to a bank clerk who never saw the Provincial Treasurer without somebody fixing it up some way?

A.—I know nothing of it.

Q.—It was done though?

A.—I don't know.

Q.—Do you mean to say you didn't give Ross the tip it would have to be done?

A.—No, sir.

Q.—You absolutely left that out?

A.—What out?

Q.—That wasn't discussed between you?

A.—No, sir.

Q.—You know it was done?

A.—I don't.

Q.—You mean to say you don't believe it was done?

A.—I don't.

Q.—Don't you think somebody fixed this?

A.—I don't.

Q.—You think it came out of a clear sky?

A.—I cannot say.

Q.—You don't expect us to believe that?

A.—You will have to believe that.

Q.—You are not going to give any more information?

A.—I can't give you any.

Q.—You have told the Committee the most extraordinary story that anyone ever told I fancy in this committee room, and there are remedies and ways of testing it, and if you want to be frank, you will see yet there were some fools and who got the easy money—

A.—It was easy money but I stood the risk of losing.

Q.—Oh nonsense. You don't expect anybody to believe that. Have you any explanation to offer why the Treasury fell for this?

A.—I haven't except they were buying them in.

Q.—But they didn't know you and they were not dealing with bank clerks, were they?

A.—Well, that I cannot say.

Q.—And you still stick to it, as far as you know there was no commission paid or arrangements made?

A.—Absolutely.

Q.—And you stick to it you took \$7,500 in bearer bonds and legal tender, which you know is the best form of concealing money, without any object?

A.—Yes, sir.

Q.—Didn't Ross tell you, I will get it in bearer bonds?

A.—No, sir.

Q.—Who suggested this \$7,500 in bearer bonds?

A.—I imagine I did.

Q.—What was your object?

A.—I don't know, sir.

Q.—You are not a fool, and nobody carries around \$7,500 in 50's without some object?

A.—Not particularly.

Q.—What was the reason?

A.—There was no reason.

Q.—Nobody will suggest that—

MR. SINCLAIR: With all due respect to you, a man learned in the law, do submit the chairman of the Public Accounts should not impute motives to a witness. It would be all right for us, but for the good of the Public Accounts Committee—

MR. CURRIE: I think there were more transactions than this one involved. What was the total amount?

A.—What amount are you referring to?

Q.—Of the trades you made with this Government; what was the total amount of bonds you sold. There is one transaction, this first one, but there were many more then after.

A.—There were only two more with me.

Q.—What was your total profit?

A.—I cannot tell you; the figures are there—127, 130, 134,000 offhand, I think.

Q.—A quarter of a million?

A.—No, sir.

THE CHAIRMAN: 31,000 pounds—\$150,000.

A.—That is taking it at \$5; it is nowhere near \$150,000.

Q.—Don't be technical, say a hundred and thirty. How much profit?

A.—On the last two deals, very little.

Q.—Is the amount shown there? Where did you have your account for these other deals?

A.—Royal Bank.

Q.—Were you looking out for some more of these fancy bonds?

A.—If I could have got hold of them I would have taken them.

MR. SINCLAIR: I don't understand about this bearer bond business. When you had about \$7,500, was that all converted into bonds?

A.—Most of it, sir.

Q.—And \$5,000 of that was given to you, or the \$7,700?

A.—\$7,700 in the first place.

Q.—You got all?

A.—Yes, sir.

Q.—That was in August, 1921, when was this?

A.—Shortly after that.

Q.—Then how long did you hold those bonds as bonds?

A.—Oh quite a while.

Q.—How long?

A.—I had them when I was overseas.

Q.—When you went to England?

A.—Yes.

Q.—The whole \$7,700?

A.—No, \$5,000.

Q.—You had \$5,000 in England?

A.—Yes.

Q.—Where were the other \$2,700?

A.—They were sold for me.

Q.—When?

A.—Before I went overseas.

Q.—How long before?

A.—The exact time I cannot tell you.

Q.—You surely can remember about how long a time elapsed from the time you first got the bonds and you sold them?

A.—There is no sense making a rash guess.

Q.—Was it six months?

A.—It might have been.

Q.—Was it a year?

A.—No.

Q.—And then you had the \$5,000, you took them to England?

A.—Yes.

Q.—And how many did you bring back?

A.—None.

Q.—Was that money spent for travelling expenses on this trip?

A.—It was.

Q.—Your trip to England cost you \$5,000 in bonds?

A.—My trip to England cost me more than \$5,000.

Q.—How many went?

A.—My wife and child.

Q.—How long were you there?

A.—Five months.

Q.—And you didn't convert these into cash money when you landed in England?

A.—Well, I could not get Canadian money for them.

Q.—Did you convert them into English money when you landed?

A.—I got English money for them after I landed.

Q.—The whole bunch?

A.—Not at once.

Q.—How much did you get?

A.—I don't remember.

Q.—About?

A.—I cannot tell you.

Q.—Where did you cash the first?

A.—The first was in London.

Q.—At a bank?

A.—No, sir.

Q.—Where?

A.—At a broker's.

Q.—And how much?

A.—Well, I don't remember now whether it was 20 or 30 or 40—

Q.—Do you remember the broker?

A.—No, I don't.

Q.—When did you next cash any?

A.—I cannot tell you.

Q.—How often would you cash bonds?

A.—I was cashing them off and on during the five months I was there.

Q.—Did you cash these bonds from time to time at brokers as you needed money?

A.—Yes.

Q.—And then for spending money you spent cash money?

A.—I certainly did.

Q.—Because I understood you to say a while ago that you paid these bonds out as you went along for different people for services?

A.—No, sir, I cashed them.

Q.—They were all cashed?

A.—Yes, sir.

MR. CURRIE: Did you have a list of the numbers?

A.—No, sir.

Q.—You know they are numbered?

A.—No, sir.

Q.—Didn't you keep track of them so in case they were stolen?

A.—No, sir.

Q.—Where did you keep them?

A.—At my house.

Q.—In England?

A.—Wherever I was in England I had them with me.

Q.—In a satchel or suit case or a belt?

A.—No, sir.

MR. NESBITT: You didn't lift the cattle embargo when you were in England with those bonds?

A.—No, sir.

MR. DOHERTY: You say, do I understand, you were not acquainted with any member of the Government?

A.—I was not.

Q.—No supporter of the Government helped you to make a deal?

A.—No, sir.

Q.—Was there any reason why if the department, the Treasury, was buying in these bonds that they should know anything about you or your antecedent? or business or anything else?

A.—I never thought of that.

Q.—The department was simply buying them in and you made them the offer?

A.—Yes, sir.

Q.—You made a profit yourself?

A.—Yes.

Q.—You never divided it with any person, any one connected directly or indirectly with the Government?

A.—No, sir.

Q.—No person got any portion of your profits but your broker Ross?

A.—Absolutely.

MR. PRICE: Where did you carry these bonds when you had them in Canada?

A.—At my home.

Q.—Left them at home?

A.—Yes, sir.

Q.—When you went down and got them at the Home Bank? Ross gave them to you at the Home Bank?

A.—No, sir, he brought them to my home.

Q.—And where did you keep them in your home?

A.—Why, in a room.

Q.—Well, I suppose, but whereabouts?

A.—Why, in the bureau drawer.

Q.—So you kept these \$7,500 bonds in the bureau drawer?

A.—Yes.

Q.—In the room in your house?

A.—Yes, sir.

Q.—Did your wife know they were there?

A.—She did not.

Q.—Were you married?

A.—Yes.

Q.—Weren't you afraid of losing them?

A.—No, sir.

Q.—What would be the size of that package; Mr. Hart?

A.—Not horribly large, sir.

Q.—Well, give an—don't fence with the Committee, answer straight.
How thick?

A.—Well, I cannot tell you.

Q.—Well give a guess?

A.—Oh about that thick.

Q.—Two inches?

A.—That is more than two inches; offhand I would say about $4\frac{1}{2}$ inches.

Q.—You carried that all the time around with you?

A.—Not all the time.

Q.—Weren't you afraid of gunmen? Did you carry burglar insurance?

A.—I carried accident insurance.

Alex. Ross called; sworn; examined by Hon. Mr. Price.

Q.—What is your business at the present time?

A.—Bond seller.

Q.—Where are you employed?

A.—W. R. Fleming & Co., Dominion Bank.

Q.—You are a pretty young looking man?

A.—27, sir.

Q.—In 1921 you would be 25. And how long had you been at the
Home Bank?

A.— $4\frac{1}{2}$ years.

Q.—Were you in charge of the bond department?

A.—For approximately 3 years.

Q.—In charge of the bond department?

A.—Yes, sir.

Q.—Whom did you succeed?

A.—Mr. Fleming.

Q.—And you went to school with Hart?

A.—Yes, sir.

Q.—You are great pals, great friends?

A.—Yes, sir.

Q.—You wanted to put him in on a good thing?

A.—Yes, sir.

Q.—Did you come up to the Buildings to get this good thing?

A.—No, sir, I sent Mr. Mason here, my assistant in the bond department,
with the securities.

Q.—Yes, but you told him that, according to his evidence, that you knew
a good thing, you could sell these bonds to the Province; is that right?

A.—Yes, sir.

Q.—Well, how did you know?

A.—Well, it was common knowledge around the streets that the Province
were accepting this stuff if it could be sold at prices that would meet their
approval.

Q.—Had you sold that stuff?

A.—No, sir.

Q.—This was your first sale?

A.—Yes, sir.

Q.—Why didn't you do it with the bank?

A.—Well, we are not allowed to, sir, because that was more or less speculative, because if the Province refused the bank would be left high and dry.

Q.—Well, the stock was good?

A.—Well, we might have had to sell at less price.

Q.—We were told here you could go out and sell it to anybody?

A.—If you can find—

Q.—Can you go out and sell this stock to anybody?

A.—No, you can't.

Q.—We have heard you could go out and sell it to anybody it was so valuable?

A.—You could sell the large estates.

Q.—Was it valuable?

A.—It was valuable to large estates.

Q.—What would it be worth to the bank?

A.—Not worth anything to us.

Q.—Yes, it would; a $4\frac{1}{2}$ per cent. stock, what would you loan?

A.—I guess a pretty fair amount.

Q.—Pretty near up to par value?

A.—Not necessary, because it is only $4\frac{1}{2}$, they would lend market value less about 10 points.

Q.—What did you buy at?

A.—About 4.31 I think.

Q.—Exchange, but what did you buy, from the standard price of the stock?

A.—I don't just remember; I could find out.

Q.—But you came up here to-night to tell the Committee. You were not subpoenaed, that is true and in your favour, but what did you buy this 29,000 pounds, and the par value is 100, what did you bid?

A.—I cannot tell you exactly, Mr. Price.

Q.—From whom did you buy?

A.—Dominion Securities.

Q.—And you went over to a well-established bond company, making money out of the sale of bonds and bought this over?

A.—Yes, sir.

Q.—And you knew when you bought it over you were going to sell to the Province?

A.—Yes, sir.

Q.—You had assured yourself from the Province you could turn it over

A.—Yes.

Q.—Who was it you made that deal with?

A.—Well, I made the deal for Hart.

Q.—Yes, but who made the deal with the Province?

A.—Well, I don't know, Hart got in touch with the Province as far as know, through letter or telephone, and came in and told me the Province would accept them at a certain price, and would we deliver.

Q.—Hart got in touch with the Province?

A.—Yes.

Q.—Hart made the deal with the Province?

A.—Yes.

Q.—Hart came up here to sell the bonds to the Province?

A.—I don't know whether he did.

Q.—You didn't do it?

A.—No.

Q.—Hart came?

A.—Well, I told Hart—

Q.—Did he come here and tell you or did you come up here?

A.—I told Hart he could make a profit on this stuff if the Province would accept his price. Hart offered it at a certain price and they accepted. He gave us instructions to deliver this to the Province.

Q.—You were just the broker?

A.—That is right.

Q.—Hart came to you, you gave him the tip, and Hart made arrangements and told you to carry out the deal?

A.—Exactly.

Q.—You say you didn't come up to make it?

A.—No, sir.

Q.—Did you come up and talk with Mr. Smith about it?

A.—No, sir, I don't know him.

Q.—Did you talk with Mr. Mathews?

A.—No, sir.

Q.—Do you know Mr. Mathews?

A.—I know him.

Q.—Know him then?

A.—I knew him then.

Q.—Did you ever have a talk about selling this?

A.—No, sir.

Q.—Did he tell you you could sell bonds to the Province?

A.—No, sir.

Q.—Are you satisfied?

A.—Absolutely.

Q.—You were head of the bond department in a bank at that time?

A.—Yes, sir.

Q.—In charge of it?

A.—Yes.

Q.—Doing business with the Province?

A.—Yes, sir.

Q.—Do you know Mr. Smith?

A.—I don't know Mr. Smith.

Q.—You didn't know him either?

A.—I didn't know him at all.

Q.—Did you ever meet him?

A.—No, sir.

Q.—Did you come up to get these cheques that we heard about?

A.—I sent my assistant up.

Q.—On the 3rd of August—when was it Hart told you he had made the deal with the Province?

A.—I cannot recall the exact date but probably only a few days before we were instructed to deliver.

Q.—It was a few days before this cheque of August 3rd?

A.—I would say so.

Q.—That is the first you heard of it?

A.—Well, the first I knew he had actually sold to the Province, yes.

Q.—How long before was it that you told Hart that he could make some money out of it?

A.—Oh I would say about five or six months.

Q.—Before?

A.—Yes.

Q.—You had this in mind for some time?

A.—Yes.

Q.—When Hart spoke to you about it and said he was able to make a sale, was it you got the stock or Hart?

A.—We got the stock delivered to us from the Dominion Securities. I made the deal.

Q.—You or Hart got the stock?

A.—I got the stock.

Q.—How did you find Dominion Securities on it?

A.—We went to Dominion Securities; they have a cable between here and the old country and asked them to ascertain if they could purchase any of this in the old country.

Q.—Is this Dominion Securities Co.'s cable?

A.—I don't know.

Q.—Did you ever see that before?

A.—No, sir.

Q.—In any event the Dominion Securities Co. sent you over?

A.—Sent where?

Q.—What did you say?

A.—We asked them to see if they could locate a block of that stuff, that we had a client that would take a block if they could get in touch, and five or six months afterwards I think they said they had located this block of 29,000 and offered it to us at a price.

Q.—Now when you are talking "we and us", who do you mean?

A.—I mean Dominion Securities and the Home Bank?

Q.—You went over as head of the bond department asking if they could do this?

A.—Yes.

Q.—They thought the Home Bank had a client, they were acting for the Home Bank, picking up stock, buying it for Hart?

A.—Yes.

Q.—What price did they tell you they could pick it up?

A.—I don't remember.

Q.—At what price did you sell to the Province?

A.—We were not selling that, Hart was selling.

Q.—Well, what did Hart tell you?

A.—I told Hart they would take any reasonable price. I said I thought he ought to get 4.40.

Q.—Well, I am talking prices of the stock?

A.—Well, exchange was the whole thing entering into the profit because there was a big difference in the price in the old country and the price on the Toronto market and you had to take a chance on the exchange, that was the only way to get a profit.

Q.—You and Hart got 100 and the nominal quotation was 88.50?

A.—We didn't get 100.

Q.—You sold rather—

A.—We sold it on a basis of exchange 4.40.

MR. MCCREA: Did the Home Bank buy this from the Dominion Securities?

A.—Yes, sir.

Q.—Did you sell to Hart then and Hart then sell to the Government?

A.—Hart made the arrangements with the Province and we sold them to him after having purchased from the Dominion Securities.

Q.—And knowing he could sell them to the Province?

A.—Absolutely.

Q.—And did the Home Bank make any profit?

A.—About \$700, I think.

Q.—One quarter of one per cent.?

A.—I think a half, I am not quite sure.

Q.—And the Dominion Securities made a profit?

A.—I imagine they did.

Q.—Another half of one per cent.?

A.—I imagine, but I don't think they were selling to us for nothing.

Q.—Can you tell us the price the Dominion Securities bought for in the old country?

A.—I cannot tell you.

Q.—Can you tell me the price you paid the Dominion?

A.—I think I could by consulting the Home Bank books.

THE CHAIRMAN: Get a certified copy?

A.—I can get it.

MR. PRICE: You got the stock from the Dominion Securities Co., and you paid cash, the Home Bank paid cash?

A.—Yes, sir.

Q.—A check of the Home Bank?

A.—Yes, sir.

Q.—After the deal was consummated with the Province?

A.—No, sir.

Q.—You advanced that money before then?

A.—Yes, sir. We paid for the whole transaction as I remember, it went through two days, we took the securities. I think it was approximately two days because it was a large amount of money and the Home Bank could not afford to be taking any chances on anything turning up that it would not go through.

Q.—You knew it was going to be a simultaneous transaction?

A.—Yes, sir.

Q.—You would get the money from the Province?

A.—Yes.

Q.—One transaction you would put through?

A.—Yes.

Q.—You proposed to share the profit with Hart?

A.—Not necessarily.

Q.—But this first cheque that you have here, do you remember when that first cheque came in, \$127,791.02?

A.—It would be around that same day, we got the cheque 3rd of August according to this and it went through the same day we got it.

Q.—Did Hart show you any letters that he had received from the Department?

A.—Yes, he did. He showed me a letter that came from the Treasury Department saying that they accepted the offer.

Q.—Accepted his offer?

A.—Yes.

Q.—He showed you a letter coming through from the Treasury Department where they accepted his offer?

A.—Yes, sir.

Q.—How long was this before you put through the deal? This deal went through August 3rd. You got this cheque August 3rd. How long was it before that that Hart showed you a letter from the Province accepting his deal?

A.—I am not certain as to that, I cannot tell you.

Q.—How much was this for altogether? Did the letter say how much the Province should buy at?

A.—Yes, the letter said they would accept his rate which was mentioned in his letter, I think 4.40.

Q.—And you had that letter when you started to ask the Dominion Securities Co. to buy it up in the old country.

A.—No, sir, we had the securities in the Home Bank at that time before the letter came through from the Province?

Q.—Before?

A.—Absolutely, because it was a well-known fact that the Province were taking the stuff in and there was really no particular chance at that time.

Q.—How long did you take to get this over?

A.—Approximately 6 months, I should say, from the time we gave the Dominion Securities Co. orders.

Q.—Six months before that when you started to work did you have a letter from the Province?

A.—No, sir.

Q.—Why is it here? Read this letter: "Referring to your letters May 31st, then July 29th and June 8th and 6th, I am now in a position to take delivery of the stock—"

A.—Of course I don't know what Hart did as far as the Province was concerned. I told him we could get that stuff and he went ahead and wrote a letter to the Province; that is all I know.

Q.—But a month before this letter where he says he is in position to take it he refers to other letters?

A.—Well, I expect his other letters asked them if they were taking stuff. As far as I know after I told him I believe he wrote a letter to the Province asking if that was the case, if they would take these securities.

Q.—By whom was this letter signed you saw?

A.—By Hart.

Q.—No, there was a letter from the Province to Hart?

A.—Well, I don't know who signed that.

Q.—Treasurer or the Assistant?

A.—I have no idea. I know it came from the Province.

Q.—When this check came down for \$127,000, did you get that cheque?

A.—We got that from the bank.

Q.—When the cheque for \$127,910 came down who was it brought down to the Home Bank?

A.—Mr. Mason, my assistant.

Q.—You sent Mr. Mason up?

A.—With the securities.

Q.—Mr. Mathews has referred to him; he was your assistant in the bond department?

A.—Yes, sir.

Q.—Was there a Littlefield there too?

A.—No, sir.

Q.—Was he manager of the Home Bank at the time?

A.—Not that I know of.

Q.—Littlefield was not there. Littlefield is not in the Home Bank now?

A.—I don't know of him.

Q.—I see he is manager of the Royal branch. Well, Mr. Mason went up and brought these cheques down. Mr. Lansfield, was he there?

A.—Down in the Home Bank as accountant and was subsequently transferred to one of the other branches as manager.

Q.—Was that Mr. Lansfield now in the Royal Bank?

A.—No, I believe it is a cousin.

Q.—So that the manager of the Royal where Mr. Hart had his account after was a brother of the Lansfield, or a cousin, in the Home Bank?

A.—As far as I know.

Q.—When you got this check brought down by Mr. Mason to the Home Bank you notified Mr. Hart?

A.—Yes, sir.

Q.—Did Hart come down to your bank or did you go to his house?

A.—No, he came to the bank and endorsed the cheque in my presence.

Q.—And he endorsed the cheque; well now, this cheque was on the Standard. What happened to it then when you got it endorsed?

A.—Mr. Hart took the cheque across to the Standard Bank and deposited in the Standard and gave us his cheque in payment of the bonds.

Q.—Did you go with him?

A.—No, sir.

Q.—Who went with him?

A.—He went on his own.

Q.—On the same day the cheque came down?

A.—Absolutely.

Q.—Now when that was deposited in the Standard Bank what was your arrangement with Mr. Hart?

A.—In what way do you mean?

Q.—Well, you had a cheque for \$127,000, Mr. Hart was going to deposit in the Standard Bank, and how did you know he deposited in the Standard Bank?

A.—He told me, that is the only way I know.

Q.—Did he tell you he was going to deposit?

A.—Sure.

Q.—Why did you choose the Standard?

A.—I don't know, that is up to him.

Q.—Did you know he was going to deposit there?

A.—I knew, yes.

Q.—Did he tell you before he went over to the Standard?

A.—Well, I knew because he showed me a cheque in payment of the securities drawn on the Standard.

Q.—He did that afterwards?

A.—The same day.

Q.—Not before he went over to the Standard?

A.—He did it right in my office.

Q.—Before he had an account?

A.—Well, he had made arrangements previous as far as I know.

Q.—He had made arrangements then before he went over to the Standard to make the account?

A.—As far as I know.

Q.—Did you make the arrangement for him?

A.—No, sir.

Q.—Did he tell you he made that arrangement?

A.—I understood he was going to make it.

Q.—It was understood between you he was to go to the Standard and had issued a cheque to you before he went to the Standard?

A.—Yes.

Q.—Did you telephone to the Standard about it?

A.—No, sir.

Q.—He gave you this cheque?

A.—Yes.

Q.—And then he went to the Standard and opened his account and deposited the cheque from the Government?

A.—Yes.

Q.—We have got up to that point; you had this arranged or Hart had arranged before you went over to the bank?

A.—Yes.

Q.—You had a cheque in your vest?

A.—Yes.

Q.—For your stock?

A.—Yes.

Q.—Did you have another cheque for \$10,000? You had that before?

A.—Yes.

Q.—You didn't take any chance?

A.—No.

Q.—Not a chance in the world?

A.—No, sir.

Q.—You had a cheque for the \$120,000 amount?

A.—No, sir.

Q.—And the cheque for \$10,000 which was in addition?

A.—Yes, sir.

Q.—That is right, so nobody took any chances for it. What did you do with the \$10,000 one?

A.—I invested it in Victory bonds.

Q.—\$10,004.89?

A.—I took it to the Union Bank and opened up an account in the Union Bank and used the greater portion of the money to purchase Victory bonds for Mr. Hart.

Q.—Why didn't you open it up in the Standard?

A.—I don't know.

Q.—This was the only one cheque that went into that Standard account? Why did you want to open up in a third bank? You were in the Home;

as in the Royal. You opened your account in the Standard, and you took the cheque for \$10,000 and opened another in the Union? That is right?

A.—Yes, sir.

Q.—Now what is your idea of going to the Union?

A.—I don't know, sir.

Q.—Well, the Committee are business men interested in this thing; the public are interested and they want to know why you wanted to do all this with cheques on a simple transaction if it was straight forward.

A.—Well, I was not particularly anxious that the Home Bank should see me walking around with a \$10,000 check. They would probably come in and check up my accounts if they saw an account on their book for \$10,000.

Q.—That was what Hart told us?

A.—Well, I am telling you the absolute truth; I have no reason for telling anything else.

Q.—Well, we will take it that is the truth, this same yarn?

A.—Well, I can't help—

Q.—Why didn't you go into the Standard?

A.—For one reason the man in the Standard after the cheque went through from the Home Bank he sent across one of his representatives with the big cheque and started to make a lot of inquiries about Hart, wanting his signature guaranteed and I thought in order to stop further comment I would take the cheque to the Union Bank, which I did.

Q.—You didn't want your people to ascertain you were making this money?

A.—No, sir.

Q.—And you went to the Union?

A.—Absolutely.

Q.—Did you take it over, it was in your name?

A.—I deposited it myself.

Q.—Is this the cheque here?

A.—Yes, that is the one.

Q.—Cheque identified by Mr. Ross, dated August 1st, Alex. Ross \$10,004.80, cheque number 2, and it was cleared August 4th, the Union Bank of Canada, August 4th, cleared August 5th, endorsed Alex. Ross. Now, Mr. Ross, when you got in the Union Bank, have you got that bank account? What did you do with the money there? Have you that bank account?

A.—I haven't it now.

Q.—Have you the bank pass book?

A.—No, sir.

Q.—Were there any other deposits but this one?

A.—Yes, we put through a couple of smaller deals later.

Q.—You were in on the smaller deals?

A.—Yes.

Q.—What did you make?

A.—Oh, approximately three or four or five hundred dollars.

Q.—In addition to this \$10,489 you had \$300 or \$400 more going into that account?

A.—Approximately.

Q.—And that was what that went in?

A.—Yes, sir.

Q.—And after that was drawn out you closed up the account?

A.—Yes, sir.

Q.—How long did it take you to close up the account?

A.—It didn't take me very long, I don't think.

Q.—Can you produce your bank book on that?

A.—Union Bank?

Q.—Yes.

A.—No, sir, I haven't got it now.

Q.—Can you produce cheques for them?

A.—I could if I went to the Union Bank and got them; they should be there.

Q.—How was this money to be divided up? Did you arrange with Hart how this money was to be divided first, before you went into the bank?

A.—No, Hart was decent enough to say, if it went across he would look after me.

Q.—To what extent?

A.—He didn't say.

Q.—Well, I should think you would have a deal?

A.—Well, he had no idea how much he was going to make.

Q.—You were tipping Hart off 50-50?

A.—No, sir.

Q.—What proportion did you get?

A.—I think in the neighbourhood of \$1,500 or \$2,000.

Q.—Don't you remember? This was quite a nice thing for a young chap in the bond department to make, twenty-five years of age, but you cannot remember whether it was \$2,000 or \$1,500 or \$2,500. You don't forget this?

A.—I haven't any particular reason for remembering the exact amount but I can easily find it out.

Q.—Was it a customary thing to make deals like this?

A.—No, sir.

Q.—Did you make another one like this?

A.—No, sir.

Q.—Did you ever make a deal like this?

A.—Stocks.

Q.—Or before?

A.—Well, I have had an account in the stock broker's office.

Q.—Well, did you ever have a large deal with the Province like this?

A.—No, sir.

Q.—One and only?

A.—With the Province.

Q.—And you can't remember what you made, whether \$1,500 or \$2,000 or \$2,500?

A.—No, I can't remember the exact amount.

Q.—Can you remember how much you gave to Hart?

A.—Well, the total profit as far as I can remember was approximately \$11,500, and in addition, the commission that the Home Bank got, some \$70 so there would be \$12,200 difference between the price we bought and the price they were sold to the Province.

Q.—Well, I am down to this \$10,004.89, that you put in the Union Bank. How much did Hart get?

A.—I did say he got the greater portion.

Q.—Did you check it out or give it in bills?

A.—In bonds.

Q.—Did he ask you to buy bonds?

- A.—Yes, sir.
- Q.—What denominations were the bonds?
- A.—I purchased them first in large denominations and then, afterwards, he said that he would like to get them in smaller denominations. I purchased in all I think, in even thousands and possibly a few fifties.
- Q.—How many thousands?
- A.—I would say about seven or eight.
- Q.—One thousand dollars?
- A.—I think so.
- Q.—And the bonds registered?
- A.—No, sir, Victory Loan.
- Q.—Bonds at Ottawa.
- A.—Bonds I think they were of '34, all the same.
- Q.—Were they registered?
- A.—No, sir, bearer bonds.
- Q.—You are sure of that?
- A.—Yes, sir.
- Q.—Well, you got the seven or eight thousand?
- A.—Yes, sir.
- Q.—Did Hart call down to the bank to get the bonds from you?
- A.—Yes, sir.
- Q.—You gave them to Hart at the Home Bank?
- A.—I gave them to him—well, he didn't take them, because as I say, he wanted to have them put into smaller denominations.
- Q.—Did you show him the seven or eight thousand dollar bonds?
- A.—Yes, sir.
- Q.—When did he tell you he wanted them in smaller denominations?
- A.—The same day; he would not accept them.
- Q.—He never really got these thousand dollar bonds?
- A.—No.
- Q.—Did he take the thousand dollar bonds away with him?
- A.—No, sir.
- Q.—How long did it take you to change them into fifties and hundreds?
- A.—Well, they were mixed up, some fifties, some hundreds, and possibly, five hundreds.
- Q.—There would be possibly one hundred bonds?
- A.—I guess so.
- Q.—Quite a little parcel?
- A.—Sure.
- Q.—When you got all these changed into fifties and hundreds, did you call them into the Home Bank?
- A.—Yes, sir.
- Q.—And show him these bonds?
- A.—Yes, sir.
- Q.—Look them over?
- A.—Yes, sir.
- Q.—Did he leave them with you?
- A.—No, he took them away.
- Q.—You gave them to him at the Home Bank and he took them away?
- A.—Yes.
- Q.—You are quite clear on that?

A.—As far as I know.

Q.—Did Hart say to you, Now, Ross, you have safety deposit boxes the bank, here, should not I put these away? Where would Hart keep the bonds?

A.—I had nothing to do with the safety deposit boxes.

Q.—Well, you are a bond man in a bank, would you let a client take bonds in that kind of a way, a hundred of these, what would he do?

A.—Well, Hart was employed by the Royal Bank and quite likely had safety deposit boxes in his own bank.

Q.—You thought he was going to take it to his home bank?

A.—Take them to his own place and put them in his own deposit box. No person would be able to see them there.

Q.—Would you think it would be a good thing for a man to keep bonds kicking around his house?

A.—I would not care to do it myself.

Q.—You are both business men, handling other people's money and bonds.

A.—Yes, sir.

Q.—And it is expected a banker would put them in a safety deposit vault?

A.—I think so.

Q.—When did you see these bonds after? We have you down to the time you handed them to Hart. How long after, was it August 4th, you got into the transaction?

A.—Well, I cannot say definitely, but I can check it up, because I issued a cheque to Bryant Izzard.

Q.—So you say, shortly after this, you had all this changed in for Hart? Hart took the bonds away; when did you see these bonds after that?

A.—Which bonds?

Q.—The bonds you gave Hart. You gave them to him in fifties and a hundred dollar denominations and he took them. Did you see them afterwards?

A.—No, sir.

Q.—Did you go up to his house to look them over?

A.—I was living in his house.

Q.—Oh, you were living together. Now, we are on to something. You are not only old school pals, but you are living together, you slept over and worked it out. Now, where did you see the bonds after that?

A.—I didn't see them after that.

Q.—You never saw them after that?

A.—Not after they left the bond department.

Q.—And do you know where Mr.—What do you call him put them in? In his home or the Royal Bank, or in any bank at all?

A.—I haven't the faintest idea.

Q.—You never saw these bonds after they left the bank?

A.—No, sir.

Q.—Did you see a \$50 or a \$100 bond after?

A.—Well, Hart gave me, of course, a portion afterwards, he said I am going to give you something out of this, and there was a cash balance lying in an account at the Union Bank and he said, I could retain it, and I also got a portion.

Q.—You got, we will say \$2,200 or \$2,500 out of that?

A.—Yes.

Q.—Did you put yours into bonds?

A.—No, sir, I opened an account in Bryant Izzard's.

Q.—You might take a note to get the Bryant Izzard account. We have

the \$2,500 that Ross got or approximately, and he took it over to Bryant Izzard's. I have asked him to get that?

A.—I didn't take the full amount, I took over \$1,500, which is gone.

Q.—What about the other thousand?

A.—Well, I purchased furniture and different things.

Q.—Then out of the \$7,500 or \$8,000 whatever it was that Hart got, how much did you get in this deal?

A.—I say there was a portion of the money left in cash in the account, and I got part of mine in bonds and part in cash balance.

Q.—I am talking about this \$7,500 or \$8,000 in \$50 or \$100 bonds that Hart took out of the bank with him. Did you ever get any of these bonds?

A.—I don't know whether it was those bonds; I got bonds from him.

Q.—Did you get them for yourself. Did he give them to you?

A.—Yes, he made a gift to me.

Q.—How much was that?

A.—Well, I say the whole amount—

Q.—I am talking about how much of the \$7,500?

A.—Well, I don't remember how much bonds and how much cash, but about \$2,500.

Q.—Of the \$7,500?

A.—No, the total amount.

Q.—Of the \$7,500 in bonds Hart took away, did you get any of those at any time?

A.—As I say, I got a portion of that and the balance was given to me in cash.

Q.—Never mind the balance?

A.—Well, it all comes in the same thing.

Q.—Of the \$7,500 of the bonds that Hart took away, did he come back and give you a \$100 bond or a \$200 bond or \$500. Did he give you any?

A.—He gave me a portion, but I don't remember. How can—

Q.—\$1,000?

A.—I don't know.

Q.—You cannot tell?

A.—I don't know.

Q.—It was a pretty loose transaction when you cannot remember whether you got \$500 or a thousand, or anything. I don't think the Committee will be very much impressed with that kind of evidence?

A.—Well, that is three years ago.

Q.—Well, except what he gave you for yourself you didn't see the others for yourself?

A.—No, sir, I didn't see them.

Q.—Do you know what he did with them?

A.—I haven't the faintest idea.

Q.—And he took a trip to the old country?

A.—Shortly.

Q.—Not shortly, a year.

A.—That isn't very long.

Q.—Not very long to a man who can make so much money in twenty-four hours?

A.—Well, it was open to every broker in town.

Q.—You lived with Hart and you have talked this over with Hart to-day?

A.—I haven't seen Hart until after supper.

Q.—You are living with him now?

A.—No, sir.

Q.—How long since you have been living with him?

A.—I lived in it for about a year the first year after I was married.

Q.—You were married, too?

A.—Yes.

Q.—When did you see him, to-day?

A.—I saw him after supper.

Q.—You were not subpoenaed?

A.—No. Hart came down and said I have been subpoenaed. It is quite likely I will have to bring your name in it. I would like you to come down with me.

Q.—And you talked the whole thing over?

A.—No more than that, that he had been subpoenaed—

Q.—But you talked over the facts?

A.—Certainly, quite naturally, a man could talk the thing over.

Q.—That is right, you did talk it over, over the facts, and how it was bought and what you did with the bonds?

A.—Yes, surely.

MR. MCCREA: Would you have these bonds for a year after you gave them to him before when he left for England?

A.—I haven't the faintest idea what he did with them.

Q.—Well, a year elapsed from the time he got them and he went to England?

A.—Yes, as far as I can recall.

Q.—You don't know what he did with them in the meantime?

A.—I haven't the faintest idea, he didn't tell me his private business.

Q.—And you lived with him in the same house?

A.—Absolutely so.

Q.—Well, living with you when he left for England?

A.—No, sir.

Q.—How long before had you left?

A.—We had been away, well, away in May, and he went the following December, I think, to England.

Q.—You were living with him after you gave him the bonds in August until the following May?

A.—Following May, yes.

Q.—And you don't remember how much of the bonds was your share of the division of the bonds?

A.—No, sir, I can easily find out just what portion I got in cash and the balance of bonds by checking up the amount that was lying in the Union Bank account after I got through buying these other bonds for myself.

Q.—How long after you gave the bonds until he gave you back some of them?

A.—Oh, probably two or three days.

Q.—What deal had you with Bryant Izzard?

A.—I purchased Victory bonds from Bryant Izzard that I gave to Hart.

Q.—After he got them, how long after you received them from Bryant Izzard and gave them to him, until he gave you some of them back?

A.—Just a matter of two or three days.

MR. CURRIE: You were in charge of the bond department of the Home Bank?

A.—Yes, sir.

Q.—You have sworn to that?

A.—Yes, sir.

Q.—Mr. Hart has stated to us that you were also his broker, is that right?

A.—Well, I would put transactions through for Hart, yes.

Q.—In what sense were you his broker?

A.—Well, I was his broker in this particular deal.

Q.—His broker in this particular deal?

A.—Yes.

Q.—And can you reconcile your position as a bond man for the Home Bank acting on the side for another man?

A.—I was not acting on the side. The Home Bank is not allowed to transact any speculative business and I couldn't put a thing through like that for the Home Bank, so I told Hart about it.

Q.—That was speculative?

A.—It certainly was.

Q.—Were you in charge of the Home Bank when those New Orleans bonds?

A.—I don't know anything about that.

Q.—You were not the man who bought the New Orleans bonds?

A.—Nothing to do with it.

Q.—Did you buy securities of this Pulp Company in British Columbia?

A.—No, sir.

Q.—Who was acting in these bond transactions for the realty company there?

A.—Haven't any idea.

Q.—You didn't do anything in this?

A.—No, sir.

Q.—You were in charge of the bond department?

A.—Well, it was a department that was organized for dealing with customers of the bank and its branches and had nothing to do with those sort of deals; they were dealt with by head office.

Q.—In other words you organized the bond department, so that, if anybody that had a deposit at Home Bank branches, you handled them for them?

A.—Not necessarily.

Q.—You tried to snatch that business for yourself?

A.—We were forbidden to approach the bank's customers.

Q.—You didn't sell any oil stock for your customers over in London?

A.—Not that I know of.

Q.—You were the head centre the past three years for bonds?

A.—If they cared to—

Q.—How much did you make as a rule as commission out of those commissions?

A.—Myself?

Q.—Did you make any transactions outside of this one?

A.—No, sir.

Q.—Didn't work side transactions other than this?

A.—No, sir.

Q.—What would happen to you if the Home Bank knew you were doing this?

A.—That didn't enter into my mind.

Q.—They would have wanted that \$11,000?

A.—Not necessarily.

Q.—Because they financed the transaction?

A.—They didn't finance anything; the cheques were put through on the same day; it didn't cost them a dime; they got \$700 for nothing.

Q.—Who put the order into the Dominion Securities?

A.—I did.

Q.—As bond manager of the Home Bank?

A.—Yes.

Q.—So you say they had nothing to do with the transaction. Did you buy these bonds to arrive or did you buy them over the counter?

A.—No, we approached the Dominion Securities as they had a cable between their Toronto office and London, England.

Q.—They have a cable line of their own?

A.—Yes, sir, as far as I know.

Q.—I thought it was Mackay owned all this cable?

A.—Well, I don't know, they had a private wire.

Q.—And you approached the Dominion Securities and what did you do?

A.—I asked the Dominion Securities to try and locate some of the firm's succession duty stuff in the London market.

Q.—On behalf of the Home Bank?

A.—I said on behalf of a client of the Home Bank?

Q.—But the Home Bank was going to be responsible?

A.—No, they were not.

Q.—They would not take your word for a client?

A.—Well, they would naturally think, I suppose.

Q.—As a matter of fact, did you give a buying order to the Dominion Securities?

A.—Not until they located the block.

Q.—Then you gave a buying order?

A.—Yes.

Q.—How long was it before the securities arrived from the time they purchased them from—

A.—I would say about three weeks or a month.

Q.—Just took the time to come over. Have you ever heard of a man who was in charge of the bond department of one of the banks putting through transactions on the side with other friends like this?

A.—I don't know anything about what other people do, sir.

Q.—You are not allowed to make a profit outside the bank on any other transactions, isn't that the rule?

A.—I don't know. I didn't sign any documents to that effect.

Q.—Were not there general instructions to keep out of the market?

A.—Nothing was ever said to me in that way that I was not to make a profit on the side.

Q.—Supposing this transaction had turned against you?

A.—Hart would have been responsible for any loss.

Q.—Looking at the transaction from the other standpoint, how did you know there was a chance for you to make a pretty good turnover? Did anybody pass it out to you that you could place these bonds?

A.—It was common knowledge among the brokers and bond dealers that the Province were accepting these.

Q.—When did you learn that, newspapers or personal knowledge?

A.—Just my personal knowledge. I don't know how I got to know, but I know among brokers—

Q.—Did Mr. Cooper tell you?

A.—I don't know the man.

Q.—Mr. Mason, Cooper Mason?

A.—No.

Q.—The late manager didn't say anything to you about transactions of this kind?

A.—No, sir.

Q.—Did the other Mr. Mason tell you?

A.—No, sir. The other man is an assistant in my department and we talked it over and wondered if we could not make something out of it.

Q.—What did you say?

A.—I say, we talked it over and wondered if there was anything we could make out of it and decided the bank could not take any chances on that stuff, waiting five or six months, waiting to find if the Province would take it.

Q.—It didn't take the Province long to accept yours?

A.—Well, Hart had made arrangements previous. He found out from the department.

Q.—Had Hart been in communication with the department?

A.—As far as I know you have letters here to that effect.

Q.—And did he sell these bonds to arrive or simply cash over the counter?

A.—As soon as I informed him, Dominion Securities had located this block, he told me to accept it and immediately got in touch with the Province and offered it to them at a price at which they accepted. He had three weeks or a month to make delivery.

Q.—And you had no other transactions in bonds other than Hart?

A.—No, sir.

Q.—You did not pass any of these securities to anybody else?

A.—No, sir.

MR. MCCREA: You say the Home Bank got \$700 out of the transactions?

A.—Yes.

Q.—And they didn't finance it?

A.—Well, I mean there were no funds left the institution, because the cheque came in from the Province on the day Hart issued his cheque to us, so actually no funds left the Home Bank.

Q.—Who did finance it?

A.—Well, I say there was no funds left the Home Bank, that was a matter of clearing, if we got the cheque from one party and have a cheque the same day funds never go out the same day. One offsets the other.

Q.—Did the Home Bank offset it or did they not?

A.—Well, to this extent, Hart issued his cheque to us, and we issued a cheque to the Dominion Securities.

Q.—Could you have carried the transaction through without the Home Bank playing the part it did?

A.—No.

Q.—They did finance it then?

A.—For a certain time, yes.

Q.—Any financing that was done, was done by them?

A.—Yes.

Q.—They got \$700?

A.—Yes, sir.

Q.—Which you say they were not entitled to?

A.—I didn't say, I said they are lucky to get anything.

Q.—On what basis do you figure you made the \$10,000, if the Home Bank did the financing and only got \$700?

A.—Hart was the man who would have had to stand any loss, supposing the Province had turned his offer down. He was in a position to take care of this, because he had inherited sufficient money from his mother's estate.

Q.—You talked this over with Mason?

A.—Only in so far as we wondered if we could do it ourselves.

Q.—Was that Cooper Mason?

A.—No, sir.

Q.—What Mason?

A.—My assistant in the bond department.

Q.—Is Mason a relative of Mathews here?

A.—Well, I believe he is of Mathews. I believe he married Mr. Mathews' step-daughter.

Q.—Son-in-law?

A.—Well, he is called that I guess.

Q.—What is his initial?

A.—L. C.

MR. CURRIE: The first thing that occurred you bought these securities from the Dominion Securities?

A.—Yes.

Q.—Who sent the cheque over for the bonds to the Dominion Securities?

A.—Well, I imagine I did.

Q.—You signed the Home Bank cheque?

A.—I imagine I did.

Q.—Did you mark the cheque good? Whose cheque, the bank's or your own?

A.—Bank's cheque.

Q.—They gave you the securities?

A.—Yes, sir.

Q.—And you sent the securities up here to the Province, did you?

A.—Yes, sir.

Q.—Along with the statement from Mr. Hart?

A.—Mr. Hart.

Q.—And your messenger got that cheque when he delivered the bonds?

A.—My assistant got the cheque.

Q.—Made payable to Mr. Hart?

A.—Yes.

Q.—Mr. Mason got that cheque?

A.—Yes.

Q.—And he took it down to you.

Q.—Now then, what occurred, did he take that cheque over to the Standard Bank, who took it over to the Standard Bank?

A.—Mr. Hart.

Q.—You mean to tell me you handed that to Hart and he carted it over?

A.—After we had got Hart's cheque.

Q.—He took that cheque over and got the other two cheques marked?

A.—No, I don't know that he got it marked. I believe—you see Hart could not possibly get away with any money, because we took it over to the Standard Bank in the clearing the next morning.

Q.—You took the cheque over to the Standard, not Hart?

A.—Well, he took his own cheque over.

Q.—Who took the provincial cheque over?

A.—Hart.

Q.—Did you let that out of your possession?

A.—After we had got Hart's cheque covering purchase of bonds.

Q.—Marked?

A.—No, it was not necessary, because we could beat Hart to it, get the cheque through in the clearing in the following morning before he could get the funds out of the bank.

Q.—Supposing he had not put funds in the bank and walked off to Buffalo.

A.—Oh, he would not have got very far.

Q.—\$100,000?

A.—Do you suppose I could not have stopped him.

Q.—We understood from Hart that these transactions took place simultaneously, and you didn't wait until next day at all.

A.—Well, we had to wait until next day, because after he took his cheque over to the Standard Bank it was too late to be through clearing that day.

Q.—Well, did he get the cheque marked that he brought back to you?

A.—I would not swear, but it was not necessary, as I say, we could beat him to it.

Q.—As a matter of act, you used the funds of the Home Bank to allow him an overdraft?

A.—No, we didn't allow him an overdraft, he had no account with the Home Bank.

Q.—There was a period there when he had no account with you and he held cheques for \$100,000, and he had no account with you but you allowed him securities or cheques to the amount of \$110,000, isn't that right?

A.—Yes, sir.

Q.—Well, I want to know where the bank is protected, because we have other transactions and found cheques crossed each other at the counter. Do you mean to tell me you used your position as an official of the bank to allow a man to owe the bank \$100,000 worth of securities?

A.—No, he didn't owe the bank anything at all. As I say, we had his cheque at the same time he got the cheque from the Province. Hart could not possibly get away with any money.

Q.—Did you hand him that cheque, the provincial cheque?

A.—Absolutely.

Q.—What security had you for the whole transaction?

A.—We had his cheque.

Q.—You couldn't beat him to it?

A.—Why couldn't we?

Q.—Supposing you sent his cheque over there and it was returned N.S.F. where would you be?

A.—Oh, well, Hart is a long standing friend of mine.

Q.—Oh, that is poppycock. You know no bank puts through a transaction

of that kind unless there is some convenience by somebody on the inside. You know if that man wished to walk on to the street with that cheque and tell you to kiss his foot, he could do what he liked with the money?

A.—I would like to see him try it, that is all.

Q.—Suppose he had lost the cheque?

A.—All he would have to do was to call up the Province and get them to cancel the cheque.

Q.—He swore there was not anybody in the Standard Bank knew him?

A.—Neither there were.

Q.—Who knew him?

A.—I don't think any person, he went across and made his own arrangements.

Q.—He was walking around the street for an hour with a cheque for over \$100,000 that belonged to the Home Bank?

A.—No, he went across to the bank.

Q.—You were financing this transaction entirely on the Home Bank; you gave this man a virtual overdraft; well, you put the transaction through and then you go to work and divide the profits. Did you divide with anybody else?

A.—No, sir.

Q.—You were not giving up your securities until you got the cheque?

A.—No, sir.

Q.—You would not even trust the securities to Hart?

A.—It was not necessary.

Q.—You sent up Mason with the securities to the Parliament Buildings?

A.—Yes, sir.

Q.—On behalf of the Home Bank who owned the securities?

A.—Yes, sir.

Q.—And Mason received for the Home Bank a cheque for \$100,000?

A.—Received for Hart.

Q.—Would not the ordinary way of handling that transaction when you had such a large interest on all of it except the \$10,000, to have taken Hart's endorsement to your bank and put the transaction through there instead of handing over this cheque to Hart and letting him negotiate and arrange with another bank. What the Committee would like to know is why was not the transaction done that way?

A.—I was just telling you there was no necessity for doing that, because I knew the cheque had been deposited the previous afternoon, that afternoon that Hart got it.

MR. MCCREA: Oh, everything has turned out all right, but why did you adopt a practice which is not an ordinary one, where you had an interest of nearly \$90,000, an employee of the bank, why did you realize what was to be paid for these securities to Hart?

A.—Hart had put the funds in the Standard Bank and I knew the bank could be in no danger because we would get the money the following morning, or I could have had the cheque cancelled.

Q.—Do you want the Committee to believe when you put that cheque for \$100,000 in Hart's hands which was payable to him you were trusting everything to what Hart told you he was doing?

A.—Absolutely.

Q.—And you hadn't a bit of security other than Hart's promise that he would do what he told you?

A.—Absolutely.

Q.—His cheque was not worth \$100?

A.—Not at that time.

Q.—Not a cent?

A.—Not until he took the funds over to the Standard.

Q.—You knew Hart was not worth \$90,000?

A.—I knew that he was worth sufficient that if anything had happened we were protected. He inherited considerable money from his mother's estate.

Q.—How much?

A.—I would say in the neighbourhood of \$40,000 or \$50,000.

Q.—That would not take care of the cheque?

A.—It would have taken care of any loss.

Q.—How could it when you had turned it over to the Government, got full pay, and you were trusting him with a department cheque for \$110,000?

A.—Well, Hart could not possibly get away with the money.

Q.—Well, you will admit it was most unusual?

A.—It is most unusual.

Q.—Ever before carry one out?

A.—No, sir.

Q.—Would you do it again?

A.—No, sir.

Q.—Wasn't it a clear case of making \$10,000 when you didn't want the Home Bank to know? Did you not go over to the Standard Bank?

A.—I didn't go personally.

Q.—Someone went on your behalf?

A.—I don't know whether Mason did. I certainly did not.

Q.—Didn't someone go to the Standard Bank to protect your interest, Mason or somebody?

A.—I don't know about that.

Q.—Let me draw your attention to this that this cheque from the Government was on August 4th, the cheque to the Home Bank from Hart for \$116,000 as also August 4th, and the Standard Bank marked that cheque paid on August 4th.

A.—Well, the reason they do that—

Q.—Didn't you take it over, about guarantee of signature?

A.—That was two or three days after—you see they put them through the clearing.

Q.—It was marked August 4th. Was it cleared on August 4th?

A.—Yes, it was cleared August 4th.

THE CHAIRMAN: It is marked paid August 4th; you must have been over.

A.—What I am telling you, it was not necessary that any of us should go over, because if Hart had deposited the money in the Standard Bank I could get that out before he could.

Q.—I am drawing attention to the fact the Standard marked this cheque paid August 4th. Somebody must have been over?

A.—I don't know; I know I didn't go over. You don't understand banking practice.

Q.—I know a bank doesn't mark paid unless it is paid.

DR. CARR: The \$7,500 or \$8,000 which Ross got, he got it in Victory bonds?

A.—Yes.

Q.—Did you get any money?

A.—Well, he had a balance of about \$11,500 in profit, he retained that \$1,500 and gave me the balance in a cheque.

Q.—What did you give him, all in bonds?

A.—Whatever it was I purchased from Bryant & Izzard I gave him in bonds.

Q.—You didn't give him any money?

A.—No, I didn't give him any money.

Q.—Did you give him any one thousand Dominion Bank bills?

A.—No, sir.

Q.—You are sure about that. He says he didn't give him any one thousand dollar Dominion Bank bills! You are positive about that?

A.—Oh, yes.

MR. CURRIE: Well, when you talked to Mason what did you discuss?

A.—We just merely were talking over the fact that the Province were taking these securities in.

Q.—Did he tell you the thing would be all right?

A.—No, sir.

Q.—Swear none of that money found its way into Mason's hands?

A.—No, sir.

MR. LEWIS: When these bonds were delivered to the Government, you had taken possession of them. Well, you paid Dominion Securities for them when you got possession of the bonds?

A.—Yes, sir.

Q.—With Home Bank money?

A.—Yes, sir.

Q.—So the Home Bank bought these bonds from the Dominion Securities Corporation?

A.—Yes, sir.

Q.—Before they were delivered to the Government?

A.—Yes, sir.

Q.—And the Dominion Securities Corporation had the Home Bank cheque and the Home Bank was really responsible?

A.—Yes, sir.

Q.—So if you hadn't sold them to the Government they were in the Home Bank's hands?

A.—Yes, sir.

Q.—And you didn't sign an agreement from Hart that would protect the bank?

A.—No, we had no agreement.

Q.—So the bank was the one that really stood to lose?

A.—No, because Hart would have taken the loss.

THE CHAIRMAN: That is absurd.

A.—Hart was the man who was going to make the profit, why shouldn't he?

MEMBER: Ask him if he gave a buying order to the bank, and then he would be responsible?

A.—Verbal buying order.

Q.—That is no good!

A.—Well, he gave it in the presence of myself and my assistant.

Q.—What good is that?

A.—Well, that is the way all orders are given.

MR. LEWIS: You made the statement here that the reason you did not handle this transaction from the Home Bank was because the bank was not allowed to go into that kind of speculative business.

A.—No, sir.

Q.—Isn't that exactly what the bank did? You bought these bonds as head of the bond department, with Home Bank money?

A.—Yes.

Q.—Just answer this question: you did buy these bonds on the order of yourself as head of the bond department of the Home Bank, using Home Bank money?

A.—Yes, sir.

Q.—So the Home Bank would buy the bonds?

A.—Yes, sir.

Q.—It did go into the speculative business?

A.—No, that is an entirely different thing.

Q.—They sold the bonds to Hart?

A.—Yes, sir.

Q.—And he sold them to the Government?

A.—The very same day; two separate transactions.

Q.—And the Home Bank money was gone before you had anything for it?

A.—Well, we had Mr. Hart's assurance from the Province that they would take those securities in before we ever went into it at all.

MR. CURRIE: Did you have those numbers of the Victory bonds that you gave Mr. Hart?

A.—No, I don't think I have.

Q.—Haven't you got a list? Didn't you keep track of them?

A.—It was not a worry to me to worry about whether they were stolen or not.

MEMBER: Did you make a return to the Dominion Government about this income you acquired?

A.—I didn't have it; I lost it in Bryant Izzard's before the year was up.

Q.—Never mind, you made a profit in this, did you make any return?

A.—No, I didn't.

(At this stage Mr. Currie announced that Mr. Hart desired to make a statement and Mr. Ross retired).

PUBLIC ACCOUNTS COMMITTEE

(Evidence of Garnet M. Hart and Alexander Ross on being recalled before the Committee toward the conclusion of its sitting of Tuesday night, March 5th, 1924).

THE CHAIRMAN: Mr. Hart, you are sworn.

MR. CURRIE: You want to make a statement?

MR. HART: I received a tip that I could make some money. I took advantage of it. I made some money. And the profits I split. My tip came from Mr. Ross. Where the money went I have a good idea, but I am not sure.

THE CHAIRMAN: Give us your idea. Give us a frank statement. We will follow it up and you will be protected.

A.—I think that the tip came from Mr. Mason. Other than that I do not know.

Q.—Where did he get it?

A.—Well, that I leave to your own knowledge.

Q.—What is your information on it?

A.—Well, I imagine Mason being the son-in-law of Mr. Mathews—

Q.—Well, I don't want imagination. What information have you got?

Who did you get this information?

A.—I got my information from Ross.

Q.—And what did he tell you?

A.—He told me if we went in we could make some money and I made my money. I bought the stock with no written guarantee to cover anything. I bought the stock, got my profit, and gave the split.

Q.—Split even?

A.—My profit was \$1,500.

Q.—\$1,500 was what you made?

A.—On the first deal.

Q.—Who got the rest?

A.—Mr. Ross.

Q.—Who did he divide with?

A.—That I cannot say.

Q.—He told you?

A.—I imagine it was Mr. Mason and Mr. Mathews.

Q.—What do you base that on?

A.—I base that on the fact that Mr. Ross came to me and asked me to go in on the deal.

Q.—What did he tell you?

A.—He told me we could make some money.

Q.—Did he tell you about where he got the tip, and the source?

A.—He got the tip from Mr. Mason.

Q.—Where did he tell you Mason got it?

A.—From Mr. Mathews.

Q.—Ross told you that, did he?

A.—Yes, sir. That is the statement, sir and that is the truth.

Q.—That Ross told you that his information came from this source that you have told us?

A.—Yes, sir.

MR. PRICE: When you told us you took these bonds up to the house and kept them in the bureau drawer, was that right?

A.—Pure fabrication, sir!

Q.—Where were these bonds kept, this \$7,000 or \$8,000, you took up?

A.—Pure fabrication.

Q.—You didn't take any of them up? There were none of these bonds?

A.—No, sir.

Q.—Then the story you told about going to the old country, there was nothing to that?

A.—I went to the old country, but not with the bonds.

Q.—And this \$10,000 cheque that Mr. Ross got, did you get any of the \$10,000 cheque at all?

A.—No, sir.

Q.—That went to Ross?

A.—Yes.

Q.—He had all of that?

A.—Yes, sir.

Q.—And all that you got was the balance in your account over the \$10,000?

A.—Yes, sir.

Q.—That was your profit?

A.—Yes, sir.

Q.—So that when you checked the \$10,000 out to Mr. Ross, he got that?

A.—Yes.

Q.—Do you know actually what he did with it?

A.—Actually, sir, I don't know.

Q.—Did you see any bills he drew?

A.—No, sir.

Q.—Now you lived with him?

A.—Yes, sir, I lived with Mr. Ross.

Q.—And you were there together all the time?

A.—Yes, sir.

Q.—And naturally you would know pretty well what he was doing. Did he tell you what he did with this \$10,000?

A.—No, sir.

Q.—Did he tell you whether he got it out in bonds or whether in bills or what he did with it?

A.—He told me—how much he got, I don't know. The balance, I believe, went to Mr. Mason.

Q.—He told you that?

A.—Yes, sir.

MR. PRICE: That is everything—

MR. HART: I want to ask you something else. I will admit that I was wrong in the first, in what I said. I ask your apology for that. But is there any possible chance of this being kept out of the paper?

MR. HANEY: You are a returned man?

A.—Yes, sir.

Q.—When did you go overseas?

A.—1915.

Q.—What is your battalion?

A.—Canadian Army Service Corps.

Q.—How long did you serve?

A.—I was in England twenty-three months, went to France, joined the Second Canadian Rail Head Advanced Supply Troops. I went from Barlis to Arras, from Arras to Douai and from Douai to Anzin and from there came back to England.

MR. CURRIE: Have you a clean sheet?

A.—Absolutely. Gentlemen, I failed in business not so long ago. I cleaned my sheet on that. I could have gone bankrupt, but I paid my debts instead. I hope I still have a clean sheet.

MR. DOHERTY: This is rather a serious thing, you know, for a young man to bring in the names of others into a transaction of this kind. I presume when you mention Mr. Mathews' name in connection with this you have some other ground than your imagination, or you would not—

A.—My information from Mr. Ross.

Q.—Mr. Ross told you what?

A.—Mr. Ross told me that through the information he received from Mr. Mathews that we could make some money.

Q.—Just through the information he received?

A.—Well, he received it from Mr. Mason, I presume.

Q.—I just want to understand exactly what connection Mr. Mathews had, because while I am not interested in Mr. Mathews, still the Committee wants to know just exactly. Your idea is, the impression you want to leave is that in some way or other Mr. Mathews told Mr. Mason that the Province was buying these bonds in?

A.—Yes, sir.

Q.—As far as you know that is all Mr. Mathews ever did?

A.—Yes, sir.

Q.—Have you any exact information that Mr. Mathews ever participated any way whatever?

A.—If I did, sir, I would give it to you.

Q.—Who told you this?

A.—Mr. Ross.

Q.—What did Ross tell you as to money going to Mathews?

A.—He told me that Mr. Mathews—at least, now this I didn't know until three weeks ago—that Mr. Mathews ever participated in it.

Q.—What did you hear?

A.—I asked Ross, in talking the matter over, who did receive the money. Mr. Ross told me that I did—he did—Mr. Mason, and Mr. Mathews.

Q.—There were four of you?

A.—Yes. I didn't know Mathews received it when the deal was on.

THE CHAIRMAN: Now have you anything else? Be frank and tell the Committee?

A.—I have told you the whole truth.

MR. HANEY: You lived with Hart?

A.—No, Ross lived with me.

Q.—In the same flat?

A.—Yes, sir.

Q.—Whilst there, did you know Mason?

A.—Oh, yes.

Q.—You knew Mason then?

A.—Yes.

Q.—Did Mason used to come up to that flat?

A.—I don't believe Mason has been at my home more than twice.

Q.—You don't know how long Mason was associated with Ross?

A.—I don't.

Q.—But they were very close?

A.—They were in the same office, for how long I don't know. I have known Ross for years.

Q.—You are married now?

A.—Yes.

Q.—Living in the city?

A.—Yes.

MR. GRAVES: You were rather drawn into this, weren't you? The suggestion came to you?

A.—The suggestion came to me, sir. I will admit that the \$1,500 was welcome.

Q.—But still the suggestion came to you?

A.—Yes.

Q.—And after thinking it over and needing the money you fell for it?

A.—As I said, the suggestion came to me.

Q.—And practically you were more or less pulled into it?

A.—Yes.

MR. DOHERTY: The transaction as outlined to you was a perfectly straight transaction, wasn't it, in the beginning?

A.—As far as I could see.

Q.—There was no implication that there was anything peculiar about it?

A.—No, sir. The Province wanted the bonds I was selling and the Province got the bonds.

MR. CURRIE: Call in Mr. Ross.

THE CHAIRMAN: Is it satisfactory to the Committee that I should invite him simply to make a frank statement?

Alexander Ross recalled.

THE CHAIRMAN: Mr. Ross, you are under oath. Since you have been out, Mr. Hart came in and at his own request has made what he says is a frank and complete statement to the Committee as to the whole transaction, showing where the tip came from, the source of it, what the profit was, and the names of the different parties to whom it was distributed. Now, we want to give you an opportunity to make an equally frank statement to the Committee. Do you want to do it?

A.—Well, I can say this, how do I know Hart is making this statement?

Q.—We are asking you to make a frank statement. He says what he said before is entirely incorrect. We want to know if you want to make a correct statement.

MR. PRICE: I think it would be better for you just to tell the Committee the whole truth. There is no object in not doing so.

A.—Well, the tip came then from the Parliament Buildings.

Q.—From whom?

A.—It came to us from Mr. Mathews.

Q.—Now, Mr. Ross, you are making a statement the same as Mr. Hart, and you say the tip came through the Province. Now, who was it gave you the tip? Who was it told you

A.—Well, we, Mason and I discussed it. Mr. Mason and I brought the information down first that this was being done by the Province. I had also heard of it outside. I did not need Mr. Mason to tell me about that. But he did say they were taking it in.

Q.—Did you have a talk yourself with Mr. Mathews about it?

A.—No.

Q.—Your talk was with Mason?

A.—Yes.

Q.—And what did Mason tell you?

A.—He said if we were able to obtain it he thought it could be arranged to be taken in.

Q.—And how did you divide this money, the \$10,000?

A.—It was split up equally between myself, Mason and Mr. Mathews. I had nothing whatever to do with giving Mr. Mathews his.

Q.—Was it in bills?

A.—No, sir.

Q.—Was it in bonds?

A.—As I stated, bearer bonds.

Q.—Bearer bonds?

A.—Yes, sir.

Q.—That was the \$10,000 was split up?

A.—Yes, sir.

Q.—And you got what? \$3,000?

A.—It would be approximately \$3,300.

Q.—You got \$3,300, Mason got \$3,300 and Mathews, \$3,300?

A.—Yes, sir.

Q.—Where did that happen? Where was that given over?

A.—Well, I turned it over to Mr. Mason.

Q.—You turned it to Mr. Mason?

A.—Yes.

Q.—Did you know Mason gave any to Mr. Mathews?

A.—No. He said afterwards of course.

Q.—Mason then got \$6,600?

A.—In bonds.

Q.—And Hart's profit was what he had in the Standard Bank after he gave you the cheque? Well, there were more profits on the other two, was that divided up too?

A.—Yes, sir.

Q.—Into four?

A.—Yes, sir.

MEMBER: Only three!

MEMBER: Four, there was Mr. Hart.

Q.—And were there any other transactions you were in?

A.—Just the three.

Q.—You talked about other people selling bonds to the Province. Was there any one else in on the thing?

A.—Well, I don't know anything about that. All I know is that other brokers were selling those securities to the Province. I knew they were doing that. I knew about the Jarvis one for instance, and several others.

MR. HANEY: I would say as a member of this Committee, I would say the public and the Committee of the Province of Ontario have to thank Mr. Hart for having made the statement he made here to-night and any action that is taken by the Committee, I would strongly recommend they retain some sympathy in their hearts for that chap who made this statement.

MR. PRICE: I think that these matters will be given full consideration that Mr. Hart having made the first statement and Mr. Ross now having told the truth and given the Committee all the circumstances covering it, I should think in any action that would be taken that this frank method of owning up to the truth would be taken into consideration. I think that is all the Committee can say.

As far as Mr. Mathews is concerned I don't know that it would be quite fair to ask him to say anything before the Committee unless he wants to, but as Provincial Treasurer I will have to take this into consideration and deal with it.

MR. CURRIE: I move the Committee adjourn.

MR. HANEY: I move Mr. Mathews be heard if he wants to.

MR. PRICE: I think Mr. Mathews is in a very difficult position on this

He was a trustee of the Province and I think he should take advice of counsel as to whether he should state anything before here that might incriminate him.

Mr. McWilliams called; sworn; examined by Hon. Mr. Price.

Q.—What is your occupation, Mr. McWilliams?

A.—Real estate and insurance.

Q.—And your firm is?

A.—McWilliams & Lockhart.

Q.—And I believe you are agent for the Mail Building?

A.—No, sir.

Q.—You have something to do with it?

A.—We have our offices there.

Q.—What is the number of your offices?

A.—103.

Q.—Do you know anything about a company or corporation doing business under the name of Provincial Securities?

A.—No, sir. Nothing except what I read in the papers.

Q.—Are they in 103 in the Mail Building?

A.—No, sir.

Q.—Were they there in 1922?

A.—No, sir. I have been there since 1920.

Q.—You have been there for four years back?

A.—Practically.

Q.—And they have not been there during that period?

A.—No, sir.

Q.—Has Snyder been there in that office?

A.—103?

Q.—Yes?

A.—No, sir.

Q.—Harris?

A.—No, sir.

Q.—Have they any right to use that address?

A.—No, sir.

Q.—Or did they have any at that time?

A.—They never used that address—106.

Q.—Well, what do you know about 106?

A.—Practically nothing. We were agents for Mr. Johnston, who leased it from the Mail Building.

Q.—Over what period?

A.—19—

Q.—Who was Mr. Johnston?

A.—E. P. Johnston.

Q.—He leased room 106 in the Mail Building over what period?

A.—Well, I don't know how long he had it, but we did not get it until October 3rd, 1921.

Q.—You got it October, 1921?

A.—We got it as his agents; he went out of town.

Q.—And has that continued until now?

A.—Well, his lease from the Mail Building expired in June, 1923.

Q.—Last June?

A.—Yes, sir.

Q.—During that period you had control of the office for Johnston?

A.—Yes.

Q.—And were the Provincial Securities there?

A.—Not to my knowledge.

Q.—You would know if they were there?

A.—I would know if they were there sir, there, was nobody by that name to my knowledge.

Q.—That is all you know?

A.—That is all I know.

Q.—Was there a man named Harris carrying on business as architect there?

A.—Not during the time I had charge.

Q.—During what period was that?

A.—It would be previous to October, 1921.

MEMBER: This was in February, March and April, 1921.

MR. CURRIE: And during that was there a firm of Harris carrying on an architect's business?

A.—There was part of the time. I don't remember the date, but they gave it up.

Q.—You have it in your book?

A.—We had nothing to do with them beyond knowing them as tenants. We collected the rents.

Q.—Were you collecting rents during February, March, April, 1921, for 106?

A.—October, 1921, and to June, 1923.

MR. CURRIE: Did you know Mr. Sylvester that was in the Mail Building do you know if E. W. Sylvester had room 106 during 1921?

A.—I don't remember the name, sir. I may have known him.

Q.—Was there any place where there is a record to show?

A.—Well, the Mail Building would have a complete record up to the time that we took it over. I have the record from that date to now.

Q.—1921?

A.—October, 1921, to June, 1923.

Q.—You think Mr. Douglas would have the record of what was taking place before that?

A.—Well, the manager of the Mail Building should have.

Q.—Which is the manager?

A.—Mr. Darby.

Q.—William Darby?

A.—Mr. Darby.

Mr. Lansfield called; sworn; examined by Mr. Price.

Q.—You are with the Royal Bank?

A.—Yes.

Q.—What branch?

A.—Main office.

Q.—King and Yonge. And what do you produce for us?

A.—Statement of account of Mr. Hart from May, 1921, to May, 1922.

Q.—With vouchers attached?

A.—Well, all the large vouchers.

Q.—What do you mean by that?

A.—Oh, I haven't \$2 or \$3 vouchers.

Q.—You mean there are some minor vouchers you haven't looked up?

A.—Yes.

Q.—But these are the larger ones?

A.—Yes.

Q.—And this shows the only account he had with you?

A.—No, sir.

The Committee then adjourned sine die.

PUBLIC ACCOUNTS COMMITTEE

Proceedings of Public Accounts Committee held on the thirty-first day of March, 1924, at 8.00 P.M., at the Parliament Buildings.

HON. MR. PRICE: Mr. Chairman and Members of the Committee,—About a week ago, probably a little over a week ago, Mr. Clarkson, who is liquidator of the Home Bank, brought certain information that he had gained in his investigations, acting on behalf of the Attorney-General, to the attention of Mr. Nickle. It affected certain things in the Treasury Department, one case in particular, and since that time we have been trying to ascertain and get the necessary information to supplement what Mr. Clarkson had. I am therefore going to ask the Committee, as this matter is of importance and I do not desire to keep it from the Committee, I am going to ask the Committee to hear Mr. Clarkson, the liquidator, who is here and has certain information he would like to lay before you.

MR. DOHERTY: Is it on these points?

HON. MR. PRICE: On certain matters.

George E. Clarkson, sworn.

HON. MR. PRICE: You are one of the liquidators of the Home Bank?

A.—I am.

Q.—Associated with Mr. Weldon?

A.—That is right.

Q.—And you are also giving the Attorney-General such information as may be necessary in the prosecution of certain accused before the courts?

A.—That is correct.

Q.—And in that capacity, I believe you gave certain information to the Attorney-General?

A.—I gave certain information to the Attorney-General, yes, not in connection with the cases before the court.

Q.—What did that information pertain to?

A.—Pertained to a payment of certain funds by the Home Bank; certain moneys out of the funds of the Home Bank.

Q.—In relation to business dealings with the Province?

A.—Yes.

Q.—Have you an account or have you found an account in the books of the Home Bank dealing with certain transactions with the Province?

A.—I have.

Q.—What does that account cover?

A.—There are a number of accounts.

Q.—Then, Mr. Clarkson, have you what is known as the account in the Home Bank of Canada books the Province of Ontario Treasury Account?

A.—That is one account.

Q.—Will you produce that account?

A.—I have a copy of it here.

Q.—Mr. Clarkson produces a copy of this account.

(Copy of account marked Exhibit 78.)

Q.—What does this account deal with, Mr. Clarkson?

A.—It deals with the purchase by the bank from the Province of some \$3,000,000 of Treasury bonds in September, 1919, and purchase of a million dollars of New York exchange and the purchase in November, 1919, of a million dollars of bonds.

MR. DOHERTY: What date in November?

A.—The payments are made—I have the accounts here.

HON. MR. PRICE: The first item in this account is September 29th, 1919, proceeds sale \$3,000,000 Treasury Bills.

A.—That is right.

Q.—Making a credit of \$2,916,500?

A.—What they did is, they bought from the Province \$3,000,000 and sold them for \$2,916,500, giving a profit of \$13,733 on the account.

Q.—That is profit to the Home Bank on that account?

A.—That is right, sir.

Q.—Then there is a further item on November 20th: Head Office cheque, Provincial Treasurer. What is that?

A.—That is a payment to the Provincial Treasurer of \$953,539 for one million Province of Ontario 5½ per cent. bonds maturing September 29th, 1929.

Q.—What does that mean?

A.—That is what they paid the Province, as the cheque shows; there is a cheque for it.

Q.—Let me have the cheque?

A.—I gave the Honourable Provincial Treasurer cheque on the Home Bank for \$953,539.72.

(Cheque mentioned marked Exhibit 79.)

Q.—That cheque has been deposited in the—?

A.—Home Bank of Canada.

Q.—And paid?

A.—Passed to the credit of the Province, endorsement of C. H. Sproule, Assistant Treasurer.

Q.—Well, then, the next item: November 22nd, losses in New York, \$850,000?

A.—That means on November 20th the bank paid the Province \$953,539.72 and has against it \$450,000 in New York with a premium of \$40,120.

Q.—That \$40,120 is also credited?

A.—That is New York exchange; that is credited in New York; there is no voucher for that.

Q.—Then on December 2nd there is a debit of \$955,347.94. Have you got that?

A.—That is a million dollars 5½ per cent. bonds

MR. DOHERTY: That \$850,000, November 22nd, was that 5 or 5½ per cent.?

A.—\$850,000 was the amount they held in New York against these bonds; they brought the bonds from the Province and held \$850,000 in New York against it.

Q.—It would not be bearing interest?

A.—Yes.

Q.—At how much?

A.—That statement there will tell you, $5\frac{1}{2}$ per cent.

HON. MR. PRICE: That was a loan the Home Bank got on the debentures. The Home Bank bought the debentures and got New York funds. Mr. Clarkson produces a cheque from the files of the Home Bank, pay to the Province of Ontario or order \$955,347.94. Mr. Clarkson, that has also been placed to the credit of the Province in the Home Bank?

A.—Yes.

Q.—As endorsed by the Assistant Provincial Treasurer?

A.—Yes, sir.

(Cheque marked Exhibit 80.)

Q.—On December 2nd there is a further cheque of \$955,437.94?

A.—That is the purchase of a million at $5\frac{1}{2}$ per cent. bonds maturing December 23rd, 1929, and was deposited in the Home Bank to the credit of the Province.

(Cheque marked Exhibit 81.)

Q.—Then I see on the 3rd a credit: Dominion Securities, \$1,956.095. Have you anything to show that?

A.—No, that is a sale I do not know about.

Q.—The next item is a New York rebate of \$850,000?

A.—That is right.

Q.—With a premium of \$43,350. Have you that?

A.—Yes, I have that; the loan would be put through the firm.

(Cheque marked Exhibit 82.)

Q.—The next is: Interest, \$1,558.33. Is that paid by cheque?

A.—No, that would be by debit slip.

Q.—Mr. Clarkson produces debit slip for the interest.

(Debit slip marked Exhibit 83.)

Q.—You will notice that is a cheque for \$850,000, that is checked off?

A.—They gave \$40,120 and they paid \$40,350 on the exchange.

Q.—On the 13th December: The Provincial Treasurer, rebate re \$4,000,000, \$5,000?

A.—You mean the entry for \$955,649.

Q.—On the 4th December: Head Office cheque, \$955,649.50?

Mr. Clarkson produces cheque and shows deposit to the credit of the Province.

(Cheque marked Exhibit 84.)

Q.—On the 13th of December, as I said, there is an item: Provincial Treasurer, rebate re \$4,000,000 bonds, \$15,000?

A.—Yes, sir.

Q.—Will you produce the cheque for that?

A.—I can't find the cheque.

Q.—What have you concerning that item?

A.—I have the stub of the cheque book of the Bond Department of the Home Bank; there is a journal entry.

Q.—Mr. Clarkson produces the stubs of the cheque book. What department is this in?

A.—Bond Department.

Q.—Of the Home Bank?

A.—Yes.

Q.—Is this a stub of the cheque book, the cheque book of that Bond Department?

A.—Of the Bond Department.

Q.—This is stub 362. On December 15th, 1919, Hon. Peter Smith, paid to Provincial Treasurer, rebate \$4,000,000 Province of Ontario Bonds, \$15,000.

MR. DOHERTY: What does that mean?

A.—Refund.

Q.—What does that mean?

A.—I can only tell you what I am told, Mr. Doherty. I am told that it was—. One of the officers of the Bond Department told me there was an understanding with the Government that the Province should get a profit of 1 or $1\frac{1}{4}$ per cent., and that they were to refund the \$15,000 to the Province. That is the explanation given to me. Outside of that explanation I only have the entries in the books.

Q.—Seeing that a cheque is missing, have you made any investigation?

A.—Yes, the cheque was paid in legals on December 18th.

HON. MR. PRICE: What do you mean by legals?

A.—I mean Dominion Government bills.

Q.—On December 18th?

A.—Yes.

Q.—Have you anything in your books to show any further entries concerning that item?

A.—There is one other entry in the journal or supplementary cash book in the Toronto office dealing with one of the entries through the Toronto office into the Bond Department and the book is here; it will speak for itself. The entry is \$4,000,000 issue, \$15,000, and brought forward into the Bond Department. Here it is, Province of Ontario $5\frac{1}{2}$ per cent. bonds credited in it to the Toronto Branch.

Q.—The Toronto Branch of the Home Bank?

A.—Yes, that was paid by the Home Bank and charged up to the Bond Department.

Q.—Have you any other information about that payment?

A.—No, nothing more than it was paid in legals here as I say on December 18th.

Q.—Can you tell me what time in the day it was paid or when it was paid?

A.—I can't tell you definitely, but it is carried in the teller's cash at the end of the day, which indicates it was cashed late in the day.

Q.—Is there anything in the books of the Home Bank which you have found which shows that money came to the Province?

A.—There wouldn't be anything on the books, neither can I tell from the books of the Home Bank whether it did or did not go to the Province. The only statement I can make is the cheque appears to have been issued and the cheque appears to have been cashed. That is all I can state.

Q.—Then on the 19th of December, 13th December, Malone, Malone and Long, \$1,000?

A.—That must be legal costs.

Q.—Have you got that cheque?

A.—I have not, sir—yes, I have that cheque.

(Cheque marked Exhibit 86.)

Q.—On the 19th, Home Bank, Toronto, \$42,400, is there a cheque for that?

A.—No, there is a debit slip. What happened is this: apparently the

was \$42,400 in the profits of the bank paid into a suspense account and transferred into the account called J. C. Mason, special current account to cover some \$42,400 which had been checked out by Mr. Mason, paid to him prior to that.

Q.—Mr. Clarkson produces suspense account debit slip December 19th, 1919, \$42,400, with the various deposits in that account and various cheques?

A.—That is an entry, Mr. Price, identifying these cheques that apparently had been issued by Mason in September, 1919, and this \$42,000 was apparently taken up then.

Q.—That is \$42,400?

A.—Money apparently taken by Mason and transferred into his own account and that handwriting shows the withdrawals.

MR. DOHERTY: Was that charged to the Province?

A.—No, that was the amount taken out of the profits the bank made on this transaction to cover amounts checked out by Mason.

MR. CLARK: To cover his private account.

A.—That first cheque I have produced speaks for itself.

(Cheque marked Exhibit 87.)

HON. MR. PRICE: Will you produce the cheques?

A.—Yes, I have the cheques.

Q.—There is a cheque of \$1,800?

A.—If you take that memorandum I gave you you can follow this \$1,800.

Q.—This debit slip, the first one, \$1,800 January 25th, 1919, Central Canada Loan and Investment Company \$1,800?

A.—Mason had a private account in that institution.

Q.—I think we can attach these various ones with the January cheque. The next \$2,500?

A.—On September 4th.

Q.—On September 4th?

A.—In cash.

Q.—Paid to cash \$2,500 S.C. special account, Cooper Mason. What is the next cheque?

A.—September 12th, \$12,000, drawn out in legals.

Q.—September 12th, 1919, \$12,000, pay to self?

A.—Yes.

Q.—Debtor to special account?

A.—September 23, \$25,000 drawn out in legals, cash \$25,000 drawn out in legals.

Q.—October 15th, 1919, pay to self, \$1,000?

A.—Drawn out in legals.

Q.—Credited to special account?

A.—October 30th \$100, payment on Victory bond.

Q.—We have taken December 30th, payment of interest on New York loan and have gone over that, and 1920, January 7th, taxicabs, \$9?

A.—That is charged through to that account, postage \$2.96, insurance on bonds \$300.

(Three debit slips marked Exhibit 88.)

Q.—May 31st, \$46,142.20?

A.—That was the profit remaining after payments of refunds on claims.

Q.—Have you any other account, any other bond account, Mr. Clarkson?

A.—There is one here concerning the purchase and sale of \$3,000,000 of

Bonds, Treasury Bills, issued May 15th, 1920, acknowledged 15th November 1920. There is the sum of \$1,000 checked out there as general expense.

Q.—There is a repayment to the Provincial Treasurer of \$2,525 which was credited to the Province on June 10th, 1920?

A.—There is a deposit of \$2,500 and there is a cheque checking out the \$1,000 for general expenses.

Q.—That item of \$2,525 paid on June 8th there is a similar item to the \$15,000 you have track of?

A.—Yes.

Q.—Then there is a cheque for that?

A.—\$2,525, yes.

Q.—In addition to that there is a cheque payable to general expense, cashed June 8th, 1920, against endorsement of A. C. Whittaker?

A.—Yes, there it is.

(Two cheques marked Exhibit 89.)

Q.—That is all that that applies to. Have you got a further loan?

A.—I have got six months Treasury Bills, dated June 15th, maturing September 15th, 1920. Here is a cheque here on July 28th for \$2,000.

Q.—July 28th, cheque produced for \$2,000, general expense, signed Home Bank of Canada, Bond Department.

(Cheque marked Exhibit 90.)

WITNESS: There is \$500 repayment in connection with that, that was charged against Toronto Bank Interest Account.

Q.—How would that follow?

A.—I do not know; it took \$2,000 in cash and then they put through an entry later charging Toronto Bank interest and crediting this transaction with \$500 under these entries; why, I don't know.

(Credit vouchers for \$500 marked Exhibit 91.)

Q.—Have you a further bond account?

A.—I have a Treasury Bill, October 15th, 1920, maturing April 5th, 1921. There is an item on November 30th in there. A cheque for \$1,500 signed Fleming and Ross and initialled by Calvert, charged to general expense. The cash book it is marked refund to Province, \$1,500.

(Cheque marked Exhibit 92.)

Q.—This cheque is dated 30th November and cashed on the 1st December and amounts to \$1,500?

A.—Yes, sir.

Q.—You have a further loan account, February 9th, 1921?

A.—That is merely calculated because it covers a purchase or sale by Mr. Ma to the bank of some bonds which he held himself. There is no particular moment in that.

Q.—There is no particular significance as far as the Province is concerned?

A.—Not a bit.

Q.—All of these items and cheques that you have produced, what checks are there that should have been deposited in the funds of the Province?

A.—There is a cheque here, December 13th, 1919, of \$15,000 refund.

Q.—There is an entry there showing there was a cheque, and payable to whom?

A.—The stub speaks for itself there.

Q.—The cheque is Hon. Peter Smith, pay the Honourable Provincial Treasurer rebate, \$4,000,000 Province of Ontario bonds.

MR. CURRIE: That is marked Peter Smith, Provincial Treasurer.

HON. MR. PRICE: Yes.

MR. CLARKE: What is the trouble with that?

HON. MR. PRICE: I will produce evidence.

MR. CLARKE: I thought you were producing that.

HON. MR. PRICE: Of all cheques produced these are the only two cheques of the Province that the Province should have received and did not receive.

MR. CLARKE: No account for it?

HON. MR. PRICE: The other payments could be discovered. Regarding these payments we have been making some investigation.

MR. DOHERTY: You have no record as to when the cheque was mailed and who to?

HON. MR. PRICE: Nothing more than appears there and the fact that it was cashed December 18th, 1919.

If Mr. Clarkson would step down for a minute I would like to put Mr. Douglas in the box to show the cheque.

William N. Douglas, sworn.

HON. MR. PRICE: I asked you about a week ago to ascertain if the Province had received a cheque for \$15,000 dated the 13th or 15th December, or anything near that date. Have you made investigations into your books to find out whether the Province received that cheque?

A.—Yes, sir.

Q.—What do you find?

A.—We found that there was no trace of it and no entries of that payment.

MR. DOHERTY: If the cheque had come to the Department to whom would it have come?

A.—Well, had it come to the Department, I suppose it would have been mailed and been in the Treasurer's mail or the Assistant Treasurer; it would go to the cashier and would have gone down in his deposits and the cheques would show.

HON. MR. PRICE: The voucher. The debit or stub shows December 18th, Hon. Peter Smith, Provincial Treasurer. Mr. Doherty asks to whom the cheque would go.

A.—If it was addressed that way it would go to the Hon. Peter Smith.

MR. CURRIE: What day was the cheque cashed?

HON. MR. PRICE: On the 18th.

MR. CURRIE: There is no such entry?

HON. MR. PRICE: No.

I have taken a week to ask them to go all through the books to find out; I did not want to bring this matter before the Committee until I was sure.

MR. CURRIE: If the cheque was paid on that day on which it states to have been paid there would be an entry in your books showing it was paid to whom?

A.—Yes, if it was turned in to us.

Q.—If it was taken in and cashed, the entry would show?

A.—Yes.

MR. BELANGER: Is there any possibility that entry would be dealing with some of the receipts?

A.—We have made a thorough search.

MR. CURRIE: If you were paid in legal tender it would show, it is the same thing.

A.—The entry would appear in the cash book.

HON. MR. PRICE: You are quite sure the Province never received the money?

A.—We have no trace of it.

MR. BIGGS: I would like to ask, in the case of the Province, for the sake of information—in the case of the Province receiving cheques who would endorse them, either for deposit or to cash them; who would endorse them?

A.—They are endorsed on the back by the cashier when he is making his deposits in the bank; pay to the credit of the Treasurer of Ontario.

Q.—What officials have the signing power in the case of such cheques?

A.—If it was made to the Treasurer of Ontario?

Q.—It is made to Peter Smith, Treasurer of Ontario. Is it a fact that all cheques are made that way?

A.—The cashier has a stamp he uses to endorse.

THE CHAIRMAN: Which is filled in.

MR. CURRIE: This cheque is lost.

MR. BIGGS: I just wanted to find the procedure of handling cheques.

HON. MR. PRICE: He may have the power to endorse for deposit but not for withdrawals.

MR. BIGGS: Who has power to endorse a cheque?

THE CHAIRMAN: It is stamped in the office of the Provincial Treasurer for deposit to the credit of the Provincial Treasurer.

HON. MR. PRICE: Mr. Sproule was endorsing them all.

THE CHAIRMAN: It is just a stamp signature.

MR. BIGGS: That is the reason I asked the question. I wanted the information and I thought probably the Committee would like to hear the procedure as to who in the Provincial Treasurer's office has power.

THE CHAIRMAN: Who does that?

A.—The cashier.

Q.—Who was the cashier?

A.—Mr. McKenzie.

Q.—Have you been in touch with Mr. McKenzie?

A.—Yes.

HON. MR. PRICE: He has just said Mr. McKenzie was cashier and he, Mr. McKenzie had tried to trace it and could not find any trace.

Q.—Mr. McKenzie would not have authority to endorse for withdrawals?

A.—No.

Q.—Would Mr. Smith have power to endorse for withdrawals?

A.—I do not think he would.

Q.—If it was possible the Provincial Treasurer—

HON. MR. PRICE: It never got into the office of the Provincial Treasurer.

Gordon A. Brown, sworn.

HON. MR. PRICE: Mr. Brown, you are Provincial Auditor?

A.—Yes, sir.

Q.—You audit all the books of the Province?

A.—Yes.

Q.—You audit particularly the books of the Treasury Department?

A.—Yes.

Q.—You have listened to the evidence given?

A.—I have.

Q.—You have listened to the evidence Mr. Douglas gave?

A.—Yes, sir.

Q.—I asked you to ascertain about a week or ten days ago whether a cheque dated December 15th, to Hon. Peter Smith, Provincial Treasurer, for \$15,000 had been deposited in the funds of the Province, did you find any record of having been deposited?

A.—No record whatever.

Q.—Have you made a thorough search?

A.—Everything we could go through. I went through the pass books and the book of the Treasurer and checked over his deposits and there is absolutely no record of the \$15,000 in the books of the Treasurer.

Q.—As an auditor would you say whether the \$15,000 ever reached the treasury of the Province or not?

A.—That is answered in my former answer. I made a search and it is not there.

Q.—To the best of your investigations you would say it was not there?

A.—It is not in any of the records.

MR. BIGGS: Mr. Brown, were you auditor at this particular time?

A.—1920.

THE CHAIRMAN: The date is the 13th December, 1919.

A.—No, sir, on the 13th December, 1919.

Q.—Who was the Deputy Minister at that time, have you that in your mind?

A.—Deputy Provincial Treasurer?

Q.—Yes.

A.—Mr. Sproule.

Q.—Neither yourself or Mr. Mathews held your present positions at that time?

A.—I don't know about Mathews; I did not.

Q.—You said that Sproule was Deputy Minister?

A.—In December, 1919, yes.

Q.—Mr. Clancy and Mr. Sproule?

A.—Yes, that is it.

MR. CURRIE: There is no doubt in the world from your account that that cheque never reached the Province; it doesn't show anywhere on the books?

A.—Absolutely not.

George E. Clarkson, recalled.

MR. DOHERTY: If that cheque were cashed in the bank and obtained in full tender, wouldn't the cheque be in the records of the bank?

A.—Unless it was abstracted. I think it has been abstracted because the cheques before and cheques after are there, Mr. Doherty; this one is missing. The value of the cheques was for \$42,000 and were taken out of their ordinary place. I went thoroughly over the cheques and could not find a trace of this one. It must have been gone over after they came into the files.

Q.—Is there any regular procedure in the bank which would prevent a cheque having been made out as payable differently to what is on the stub of the cheque?

A.—That is possible anywhere. You might do it in your own account write a cheque one way and stub the other.

Q.—I thought there was somebody who would check that up with the stub.

A.—The cheque follows the stub as it does in the ordinary business.

MR. CURRIE: There was a subsequent entry in the books to show it went to Peter Smith?

A.—There were entries in the books showing the payment of \$15,000 cheque which is charged through the journal as I told you before. I have the exact wording here.

Q.—After the cheque was paid by the bank that journal entry was made which you are going to read to us now?

A.—Yes.

Q.—The entry was made in the way in which you are now reading?

A.—Province of Ontario 5½ per cent. bonds rebate, P. Smith \$15,000

That is the journal entry.

Q.—What date is that?

A.—December 13th, 1919.

Q.—What time does your stub state the cheque was issued?

A.—There is a variation of two days, one says the 13th and the other 15th.

MR. DOHERTY: The cheque was not cashed till the 18th?

A.—That is right.

Q.—The journal entry was made before the cheque was cashed?

A.—The journal entry was made after it was cashed but added to the debit of the cheque. In the Home Bank books they are at times very lax in their dating. They will go back two or three days or to the time the cheque was issued. They were loose in keeping their system.

MR. BIGGS: This cheque after being paid would be the bank's receipt so many words, for the payment of the money?

A.—Naturally.

Q.—Naturally, would be the bank's receipt in their possession?

A.—Yes.

Q.—The money in the Provincial Treasurer's Department that would be accessible to anybody in the Provincial Treasurer's Department. If it was lost it must have been somebody withdrew it who had access to the bank's books.

THE CHAIRMAN: You know who issued it; it was issued by Mason.

MR. BIGGS: Does that explain it, Mr. Chairman?

WITNESS: The cheque was issued by the bank's Bond Department and the ordinary routine had been followed after it had been cashed by the teller. It would have been retained by the bank until the Bond Department had signed the receipt, then the Bond Department would retain it in its papers. The cheque is gone out of the files of the Bond Department.

Q.—Who had charge of the Bond Department itself? Was it Mr. Ross?

A.—I can't tell you for certain.

Q.—Then this cheque was not issued by Mr. Mason, it was issued by Mr. Ross or some person in the Bond Department—Mr. Fleming?

A.—Fleming was manager.

Q.—Ross was his assistant. That cheque was issued by them in the ordinary way of business, not by the manager of the bank.

A.—I am taking the verbal statements of Fleming to me that Mr. Ross instructed him to issue the cheque.

Q.—Which Mason?

A.—J. Mason.

Q.—Do you know in whose handwriting it is?

A.—Mr. Fleming tells me it is a man called Mogridge.

Q.—What officer?

A.—Mogridge is an employee of the Bond Department.

Q.—Where he is now?

A.—Virginia.

MR. McKEOWN: Just following up what Mr. Doherty asked you, I see the cheque No. 360, \$1,000 to Malone and Malone; you found it in its proper place?

A.—Yes.

Q.—The next cheque 361 was found where it ought to be?

A.—Yes.

Q.—We come to 362, the one in question, was not there?

A.—No, sir.

Q.—363 was in its place?

A.—Yes.

Q.—All these cheques answering to the several stubs were in their proper place with this exception?

A.—Yes.

Q.—And you conclude that must have been abstracted by someone interested?

A.—The question answers itself, it isn't there.

Q.—The others are there in their regular order?

A.—Yes.

MR. CURRIE: Just to clear the point a little bit. This cheque would naturally after it was cashed go back to the Bond Department to Mr. Fleming or Mr. Ross?

A.—Yes.

Q.—That bunch of cheques which you have examined and out of which you found this one was missing, if that bunch was constantly, as it were, under the superintendence of the department it would come into your hands. If the cheque went back to the Bond Department and there was any collusion in the Bond Department, the man in the Bond Department could abstract the cheque without the knowledge of any of officials of the bank?

A.—Yes.

Q.—And give it back to whoever got it?

A.—Yes.

Q.—Or tear it up or burn it?

A.—Yes.

Q.—And the general officers of the bank would know nothing of it?

A.—So far as I know.

MR. McKEOWN: The only other cheques that were out of place were those issued by J. Cooper Mason?

A.—Yes.

Q.—The man who instructed, according to your information, the issuing of the cheque?

A.—Yes.

Q.—Have you made any further inquiry as to the man who issued the cheques?

A.—I think he is—

Q.—Is he in Virginia, too?

A.—I think he is in California. The teller is in Virginia, the other man is in California.

MR. BELANGER: At what time did you notice the cheque was absent from the files?

A.—This matter came to my attention about ten days ago.

Q.—After the inquiry was started in the House?

A.—I was trying to find out about the payment of certain amounts. About ten days ago I ascertained the payment of commissions—I ascertained that \$42,000 was paid out of the account, out of the office account and some more out of another and that a cheque of about \$80,000 of the bank's money was not accounted for and I reported the matter to the Attorney-General and followed it up in detail.

Q.—Did you run across that cheque that was given by Ross for this block of securities?

A.—No, sir; that was news to me. We saw the transaction had nothing about it to draw our attention to particularly.

MR. DOHERTY: You say from all the information you can get the drawing of this cheque was on the orders of J. Cooper Mason?

A.—That is my information.

Q.—Is there anything which would prevent that cheque having been made out payable differently to the stub and the cheque being cashed by the cashier and the money go to some person outside of the Government service altogether and the Government not knowing of it?

A.—I have no idea where the money went.

Q.—It is possible?

A.—Yes.

Q.—No official of the Government would know anything about it?

A.—No.

Q.—If it went out in legal tender as you say?

A.—Yes.

Q.—This transaction took place after Mr. Smith came in?

A.—Within a month.

MR. CLARKE: Peter could not get corrupt in a month, could he?

MR. BELANGER: At what time did this cheque leave the custody of the bank?

A.—The cheques do not leave the custody at all, they were there when we went in as liquidators except the cheques that are missing.

Q.—When did you search for the cheques? Who had custody of the cheques?

A.—They had been in the bank vault in the custody of a dozen different people.

Q.—Were the gentlemen you mentioned, Mr. Ross and Mr. Fleming, in the employ of the bank?

A.—No; Fleming has been out a couple of years.

Q.—Fleming was at the bank the time the cheque was cashed?

A.—Fleming was manager of the bank.

HON. MR. PRICE: There is another matter that we might go into now that is the account of the Home Bank re commissions paid for obtaining deposits. Have you that account with you?

A.—That is not an account, Mr. Treasurer. These are entries which we have abstracted from the debit interest account, from the interest payable account of the Toronto branch of the profit and loss account. These are entries charged in these books as paid out by the Toronto Branch for interest payable by the bank, like they pay on deposits or borrowings.

Q.—Have you the items which cover all these payments?

A.—I have, sir.

Q.—Will you produce that statement.

A.—(Witness produces statement.)

Q.—Mr. Clarkson produces statement headed Home Bank of Canada, Toronto Branch.

(Statement marked Exhibit 93.)

Q.—This includes a statement of all payments made by the bank for obtaining commissions as far as you have been able to get up to the present time?

A.—As far as I have been able to get to the present time.

THE CHAIRMAN: For getting deposits?

A.—I expect that the bank have regulations that the bank would pay managers a commission for deposits. There are also some payments made in Hamilton. These are all we have been able to obtain.

Q.—Will you explain these various items, the first being April 5th, 1921?

A.—That is a payment of \$3,000 to F. H. Richardson, I am informed for obtaining deposits from the City of Toronto.

HON. MR. PRICE: Mr. Clarkson produces a debit slip dated March 29th, 1921, suspense account to current account \$3,000 re special services rendered, and signed F. H. Richardson. It is initialed by the accountant?

A.—Manager A. E. Calvert and marked as paid.

(Cheque marked Exhibit 94.)

MR. CURRIE: They both make up the sum of \$3,000?

A.—They are both the same; they transfer them from suspense and interest accounts, from suspense account first and then interest account.

Q.—From interest account into the Richardson account?

A.—They reverse it.

Q.—Was it reversed?

A.—They put them into two accounts and then handed them to Richardson.

Q.—Had Richardson an account there?

A.—Yes.

Q.—Have you brought a statement of his account?

A.—No.

HON. MR. PRICE: The Richardson account is only an account on a half-sheet?

A.—I would like to be fair with him; he has paid his account off and it is in a satisfactory shape so far as debt to the bank is concerned.

Q.—May 11th?

A.—A payment of \$3,500 cash on instructions of the General Manager. The statement is that was money paid out on Mason's instructions to him, handed to J. Cooper Mason as commission on the Province of Ontario deposit.

Q.—This debit slip reads: April 5th, 1921, suspense account, current account—I.O.U., Teller, instructions General Manager, Home Bank of Canada; paid April 5th, 1921. April 5th, debit interest account re debtors' suspense account, \$3,500?

A.—This is the same thing.

(Debit slip marked Exhibit 95.)

MR. CURRIE: That is Provincial deposits?

A.—Yes.

Q.—Did you make any inquiry to find out if the Province made a deposit?

A.—I am told it is one per cent. on the amount of their deposits.

Q.—On the aggregate balance the Province had there?

A.—The story given me was they were to pay the Province 3 per cent., and this was supposed to be an extra one per cent., and these are made periodically at intervals of several months.

Q.—That one per cent. went into the custody of the Province?

A.—It was drawn in cash and the statement is it was handed to Mason.

Q.—To do what he liked with?

A.—They say for the purpose of paying one per cent. extra to the Province.

MR. DOHERTY: Is there any record by which the Province should have known such an entry went through the bank?

A.—The Province would not know it unless they were informed or unless there was some verbal understanding. Unless there was some understanding between the Province and an officer of the bank.

Q.—Was there any evidence of such an understanding; there is no evidence of any such written arrangement?

A.—No.

Q.—Any evidence of any understanding?

A.—I have no evidence.

Q.—You say one per cent. went to some of the people. Was that irrespective of when the deposits were made?

A.—I do not know. I am giving you the story; I asked what it was and that is the story given to me by Mr. Calvert.

Q.—The Government makes a deposit on which they receive three per cent. and that money may remain for a month or two. There is another one per cent. goes to the man who secures the deposit?

A.—The impression I had. They averaged the deposits over three months and for three months there would be a settlement; that is the story that is given me.

Q.—That would be four per cent.?

A.—Yes.

MR. CURRIE: In other words, Mr. Clarkson, the Province got three per cent.?

A.—Yes.

Q.—For its deposits?

A.—Yes.

Q.—And the bank paid four per cent., and that one per cent. disappeared between the bank and the Parliament Buildings?

A.—Yes, sir.

MR. CLARKE: In other words, one per cent. went to Mason?

A.—Yes.

Q.—In cash?

A.—Yes, or bills.

Q.—Do you know if he drew that in legals?

A.—Or bills.

MR. BIGGS: You were asked, Mr. Clarkson, what rate of interest the Province received on its deposits?

A.—Three per cent.

Q.—That is the understanding with the Province?

A.—Yes.

Q.—This one per cent. is outside of that. That is a bank arrangement with itself to pay one per cent.; that was an arrangement with persons influencing deposits?

A.—I can only give you what the documentary evidence is and evidence that is given to me and upon which I have been endeavouring to find out certain information. This three per cent. is the ordinary current rate the bank was paying the Province on its deposits, and Mason said another one per cent. ought to be paid to the Province, that the Province wanted a higher rate, and he drew these moneys.

Q.—Himself?

A.—Himself ostensibly as an additional one per cent. to go to persons. That is all I can tell you. If you want to get it more direct, put the bank's officials under examination.

Q.—Under Mason's instructions drawn for Mason personally?

A.—Drawn in legal tender and handed to Mason.

Q.—Under his own instructions?

A.—Under his own instructions.

MR. CURRIE: Then the bigger the deposit the bigger the amount of legal tender would be lost on the way up?

A.—That follows as a consequence if the story is true.

HON. MR. PRICE: Will you go on with the next; there are quite a number?

A.—May 10th, \$2,500, instructions General Manager. May 10th and April 10th, that is the same entry.

Q.—May 10th and April 10th, \$2,500 credit to suspense account?

MR. CLARKE: Is that one per cent. business?

HON. MR. PRICE: Yes.

Q.—Re interest, instructions General Manager, and these are the debit entries?

A.—Yes.

MR. CURRIE: Is that paid in legal tender?

HON. MR. PRICE: Yes, all these debit slips are paid in legal tender. In the case of Mr. Richardson, they were cheques given to him.

(Debit slips marked Exhibit 96.)

WITNESS: July 19th, \$2,500, initialled J. C. Whittaker.

MR. CLARKE: Who is that payable to?

A.—\$2,500?

HON. MR. PRICE: It is suspense account, legal tender, \$2,500.

MR. CLARKE: Who endorsed it?

HON. MR. PRICE: Nobody, simply a debit slip and apparently left there instead of issuing a cheque. There are two accounts; interest account and suspense account.

WITNESS: A debit slip is just the same as an internal bank cheque.

HON. MR. PRICE: In the suspense account this was dated July 19th; when it comes to the interest account it is dated July 26th?

A.—Yes.

Q.—It is the same item?

A.—Yes.

(Debit slip marked Exhibit 97.)

MR. DOHERTY: This could be paid only to some bank official?

A.—The bank official has gone down with the debit slip to the teller and say Give me these legals, there is the voucher.

Q.—He can draw the legals?

A.—Yes.

HON. MR. PRICE: That is the same thing?

A.—Yes.

(Debit slip marked Exhibit 98.)

Q.—Is there a contra one—?

A.—The contra one is missing. Here is one slip that covers two items.

Q.—On December 29th, 1921, debit interest account payment to Head Office, \$2,000. What would that be, C.T. and P.O.?

A.—City of Toronto and Province of Ontario, making altogether \$5,300.

Q.—That would be paid December 29th?

A.—That is the entry.

Q.—One cheque is December 8th, 1921: Pay to F. H. Richardson or order \$2,000; it corresponds with this receipt.

MR. CLARKE: That is the City of Toronto. We haven't got Richardson mixed up with the Province?

A.—No.

HON. MR. PRICE: Suspense account, paid to Head Office, \$3,300, and initialled by?

A.—Instructions J.C.M.

(Debit slip marked Exhibit 99.)

Q.—1922, January 6th, produce that one?

A.—F. H. Richardson, \$1,000, City of Toronto.

Q.—F. H. Richardson, \$1,000, endorsed by Mr. Richardson and paid. There is also the debit slip.

(Debit slip marked Exhibit 100.)

MR. CURRIE: What was that received by Richardson for?

A.—City of Toronto.

MR. CLARKE: One per cent. commission on City of Toronto deposits?

A.—Yes. March 11th, date of payment, interest account P.O.—Province of Ontario, instructions J.C.M., Head Office, \$4,000.

MR. CLARKE: Up to date Mason appears to get all the commission for Province of Ontario?

HON. MR. PRICE: Yes.

(Debit slip marked Exhibit 101.)

WITNESS: Here is Richardson, May 16th, \$1,500.

HON. MR. PRICE: Endorsed by Richardson and debit slip, to City of Toronto again, to their account.

(Debit slip marked Exhibit 102.)

Q.—What is the next one?

A.—June 19th, suspense account, Head Office, \$3,000.

Q.—June 19th, 1922?

A.—That is Province of Ontario.

(Debit slip marked Exhibit 103.)

WITNESS: July 31st, F. H. Richardson, \$3,000, City of Toronto.

(Debit slip marked Exhibit 104.)

WITNESS: September 7th, Province of Ontario, interest \$3,000.

HON. MR. PRICE: Debit slip to suspense account re Head Office, interest

000, dated September 7th—the same thing—interest account payment made Head Office, \$3,000. One September 7th and the other 21st.

(Debit slip marked Exhibit 105.)

Q.—The next, October 4th, 1922, \$2,000, Province of Ontario, interest account to current account, \$2,000, credited suspense account; is there a duplicate?

A.—No, it is missing.

(Debit slip marked Exhibit 106.)

WITNESS: October 27th, Province of Ontario, \$1,500.

HON. MR. PRICE: October 25th, suspense account, 27th, interest account, payment to Head Office, October 23rd, \$1,500. These are Province of Ontario?

MR. CLARKE: I suppose that is missing?

A.—Yes.

(Debit slip marked Exhibit 107.)

HON. MR. PRICE: December 14th, 1922, F. H. Richardson, \$1,000.

MR. CURRIE: What is that for?

HON. MR. PRICE: City of Toronto, payment made F. H. Richardson, 225. How is that?

A.—Colson has \$225 in that.

MR. CURRIE: Who is Colson?

A.—He did some brokerage for the Home Bank.

Q.—He did do brokerage business between the bank and the Province?

A.—No.

Q.—Was Mr. Richardson manager of one of the branches here?

A.—No, sir.

Q.—Do you know the gentleman?

A.—Yes.

Q.—What is he?

A.—I think he is living in Scarboro.

Q.—What did he have to do with the City of Toronto; you didn't find out anything?

A.—That is something he will have to explain himself.

Q.—Was he U.F.O. candidate in the last election down there?

A.—I think he was, was he not?

MR. BIGGS: He was Reeve of Pickering, not Scarboro.

A.—Mr. Richardson's interests are largely real estate interests.

MR. CLARKE: I think he is a promoter.

MR. CURRIE: Who was Mayor of the city at that time, Church or Maguire?

A.—I suppose both—Church, 1921, and 1922, Maguire.

Q.—He was paid this for his influence with the city, the department of Mr. Ross, for getting deposits; is that about the size of it? Mr. Ross was the city financier during the period, wasn't he?

A.—The statement made to me was this: that this money was paid to Richardson for his influencing deposits from the City of Toronto.

Q.—Who had control of the deposits?

A.—Mr. Ross.

Q.—That is the man who was to be High Commissioner of this Province?

A.—I spoke to Ross about him and he says he did not know him.

HON. MR. PRICE: What is the next one?

A.—The next one is December 20th, Province of Ontario, \$1,800.

(Debit slip marked Exhibit 109.)

Q.—The committee will understand these vouchers are mixed up; there are sometimes two vouchers in a debit slip and the Richardson ones and the Provincial ones went in together.

MR. CLARKE: It is all payable to Mason.

HON. MR. PRICE: Mason drew it apparently.

MR. CLARKE: He is the man that drew the money?

HON. MR. PRICE: Yes.

WITNESS: The next item is April 3rd and April 6th, 1923, \$1,000 Richardson and \$3,000 commission to the Province.

DR. GODFREY: Was this paid by cheque to Richardson and to the Province in legal tender?

A.—Yes.

HON. MR. PRICE: It is F. H. Richardson, \$1,000, with the debit slip interest or remittance and one to current account attached.

MR. CLARKE: Not Provincial funds?

HON. MR. PRICE: Funds for procuring deposits.

WITNESS: \$1,000 was City of Toronto and \$3,000 was Province.

HON. MR. PRICE: There is a debit slip bearing date, April 9th, 1923, current account, Provincial, reversing interest to suspense account, \$4,000. Then there is a debit to remittance, December 6th, payment for Head Office, \$3,000. To make up the \$4,000 there is a cheque to F. H. Richardson, \$1,000, and made up of \$3,000 refund to the Province

(Debit slip marked Exhibit 110.)

HON. MR. PRICE: The next, \$2,000 Province of Ontario, for Provincial funds.

(Debit slip marked Exhibit 111.)

HON. MR. PRICE: The next opposite entry on July 13th, \$1,000 Richardson, and July 11th, \$2,000 of legals for Province of Ontario. This produced July 4th, 1923, F. H. Richardson \$1,000, endorsed by Richardson and paid on the 5th for City of Toronto funds. Debit remittance cheque, payable for Head Office, \$2,000. A debit interest credit for \$3,000, covering Head Office payment of July 5th and July 11th, as stated.

(Cheque marked Exhibit 112.)

Q.—What are the total amounts for the Province of Ontario?

A.—\$38,100 in these commissions.

Q.—What were Richardson's?

A.—\$13,500.

MR. CURRIE: We will suppose the transaction of Richardson is straight. Mr. Richardson was paid for his influence with Mr. Bradshaw or Mr. Ross to get deposits into the Home Bank because these two gentlemen controlled the deposits. Isn't that an implication because he went and buttonholed these people and got them to consent to put deposits in the bank. Supposing that is a legitimate transaction. It would not necessarily follow they would know he was getting commission?

A.—I cannot answer and I do not think I should answer that. The implication is he was paid \$13,500 for influencing somebody to give the bank City of Toronto deposits.

Q.—Influencing somebody at the City Hall to get these deposits?

A.—Yes.

Q.—And Mason drew \$13,500 for some reason—there is \$38,500 drawn by Mason in legals with respect to the Province of Ontario?

A.—Yes. There is \$42,000 transferred to his S.C. account, that is \$42,000 charged, as I have mentioned, the \$15,000 cheque in the first open transaction and the \$4,000 in this smaller transaction and it amounts all told to about \$97,500 in connection with Provincial matters and \$13,500 in connection with city matters.

MR. DOHERTY: That \$97,000 went to Mason?

A.—No, you can't say that; a lot went out in currency.

Q.—\$38,100 went to him?

A.—It went out of the bank in legals and the statement that was given to me is that the legals were going to Mason; \$42,000 was also paid out in legals.

Q.—You say from the evidence that you have gathered, Richardson used no influence with the city to get these deposits?

A.—I did not say that.

Q.—Did I understand you to say Mr. Ross said he didn't know him?

A.—Mr. Ross said he did not know Mr. Richardson.

Q.—Who is the man who would have the say?

A.—Mr. Ross, I would assume, controls thousands of dollars.

Q.—You haven't come across anything that would lead you to believe Mason had any more influence with the Province than Richardson had with Ross, that Mason had any more influence with the Province?

A.—I haven't anything to influence me one way or the other. I cannot say I have evidence or have not evidence—I don't know.

DR. GODFREY: It was always paid by cheque to Richardson and legal tender to the Province?

A.—Yes.

Q.—In any case with the Province?

A.—Always legal tender.

Q.—It would disappear and nobody would know where it went?

A.—No.

MR. DOHERTY: Are there any entries in Mr. Mason's account through which you could follow this money?

A.—There is one account of which there is not a copy attached to one of these I think I have filed. The S.C. account there was a deposit of \$42,400 in it and these cheques amounted to \$42,000.

Q.—Is there any entry to show what he did with the \$38,000?

A.—No, sir, none at all.

MR. McKEOWN: Did it ever go to his private account?

A.—No.

MR. CURRIE: This is an inquest here. We are not governed by the rules of evidence; you are not giving evidence in the court. You heard things around the bank and officers of the bank were questioned by you. Is there any information that you could give to the Committee to lead to our ascertaining anything about this? This is not a legal inquiry and you do not need to be so close, you can say what you heard. Did you hear anything?

A.—I pressed them as hard as I could press them and they told me there was an atmosphere around the bank amongst the employees indicating their beliefs that moneys were paid to the Province on Ontario deposits.

Q.—Were paid to somebody?

A.—Yes, paid by Mason, to whom they did not know.

Q.—Did you have a talk with this gentleman that was at the cashier's desk?

A.—He is away. I think he was away prior—before I ascertained this.

Q.—Before you appeared on the scene?

A.—Yes.

Q.—There is nothing else you would like to volunteer to this Committee?

A.—I would like very much to know from the standpoint of the bank where the money went to. I consider it is bank property and I would attempt to recover it.

Q.—Did you make inquiry to see if any of the money went into the Provincial fund? Did you have a chat with any of the officials to see if that money went into the account of the Province?

A.—No, I did not. The account of the Province with the bank is an exact balance.

Q.—Shows only three per cent. interest?

A.—It could not have gone in otherwise.

Q.—There would not be any private account it would go into?

A.—Not that I heard of. I would be very glad if it was.

MR. McKEOWN: Following Mr. Currie's statement, you are definite that \$38,100 paid to Mr. Mason by way of commissions are Provincial commissions and that no part could have gone to Mason's private account and no part appears to have gone to the Province of Ontario's account with the Home Bank?

A.—No part of it.

MR. GRAVES: There is a difference in the two accounts or rather there is a difference in the payment. Payments to Richardson were made by cheque and to the Province by withdrawal of the legal tender. In the story you got, apparently, according to your evidence, the story told you was that payments were direct to Richardson for securing city deposits?

A.—Yes.

Q.—On the other hand in connection with payments of legal tender authorized by Mr. Mason, the story apparently that he told the employees was that the Province was demanding an extra one per cent. in addition to the three per cent., and he was taking it out in legal tender?

A.—They say that is the story that was given them. Their impression was it was being paid into the Province or rather not to the Province but to somebody else. The story he told them was there was an extra one per cent. had to go to the Province. Their impression was it would not go to the Province but someone else.

MR. DOHERTY: Who created that impression, Mr. Mason?

A.—I do not know; they told me there was an atmosphere around the institution.

Q.—If the money were paid him and the atmosphere was created in a probability it would be created by him, would it not?

A.—I suppose he would start it, but I think if you want any more information you had better put them in the box themselves.

Q.—The Province received from the Home Bank the same interest the received from any other bank?

A.—The Province did, yes.

Q.—Three per cent.?

A.—Yes.

Q.—Do you know if it is the practice in banks to pay commissions for getting deposits?

A.—It certainly is not.

Q.—Do you know of any other bank where commissions have been paid?

A.—I have been auditor of five or six banks and never have I seen it.

MR. CURRIE: You have been auditor of different banks and knew of none?

A.—No.

Q.—You said there was an account of Mr. Mason's in the bank, his own private account?

A.—Yes.

Q.—None of the money went in?

A.—No.

Q.—You said Mr. Richardson had checked out his account?

A.—I said Mr. Richardson had several accounts with the bank, borrowing accounts, and at the time of the failure he was debtor and he has very largely repaid it and made satisfactory arrangements to clean up any balance.

Q.—You did not read any cheques to see if he made any out to anybody in the City Hall?

A.—His cheques. I have seen no cheque that would give us any indication of that. In fairness to him I should say he offered to meet me to go over his books from one end to the other and he said there were no payments of any kind or character made to any one in the City Hall.

Q.—Would these commissions be applied on his indebtedness to the bank?

A.—You will have to take each one of the cheques and find out if he deposited it.

MR. DOHERTY: You have access to the directors' minutes?

A.—I have, sir.

Q.—Before the bank could create this practice would it not appear in a minute of the directors?

A.—There is no minute of the directors authorizing this.

Q.—It never was authorized by the directors?

A.—It was not.

MR. BELANGER: Is it legal for a bank to pay commission for deposits?

A.—I cannot answer that.

MR. CLARKE: Mason is dead, is he not?

A.—Yes.

Q.—He is not in California?

A.—No.

Q.—What overdraft did Mr. Mason have in the bank?

A.—I think about \$60,000.

Q.—Of an overdraft?

A.—Yes.

Q.—Did you examine his account to find out if he was gambling on the stock market?

A.—I can tell you he was.

MR. LETHBRIDGE: What is the date of the first withdrawal on account of Mr. Mason for legals?

A.—There was a small amount.

HON. MR. PRICE: April 5th, 1921.

WITNESS: We are taking this \$2,000 out of the bond account; he drew \$1,800 against that in January, 1919, and drew \$2,500 on September 4th, and \$12,000 September 12th, and \$5,000 September 23rd, \$1,000 October 15th, and \$100 October 30th.

MR. CURRIE: You said Mr. Richardson had several accounts in the bank?

A.—Yes.

Q.—Did he have any joint accounts in the bank?

A.—No, but he had some corporation accounts in the bank, companies in which he was interested.

Q.—On which he was a guarantor?

A.—Yes.

Q.—Was Mason mixed up in these companies?

A.—No, except indirectly; he owns a piece of property down east on which one of the companies has a mortgage. I am told he owned the property for ten or twelve years and that might be mixed up in the transaction.

Q.—Was Richardson mixed up in the transaction?

A.—Richardson has got stock in the company which is incorporated.

Q.—And Richardson has a guarantee with the bank on that also for the company?

A.—I cannot tell you offhand; the company is good on its own responsibility; I don't know whether they have a guarantee or not.

MR. BELANGER: On what date did the Home Bank suspend payment?

A.—August 18th, 1923.

Q.—What is the date of the last payment to Mason?

A.—July 13th.

HON. MR. PRICE: Mr. McGarry is in the room and would like to appear before the Committee. There are some of these transactions that happened when Mr. McGarry was Provincial Treasurer, towards the last of his term. I was going on with Mr. Harris, but Mr. McGarry would like to be called.

T. W. McGarry, sworn.

Mr. Chairman and Gentlemen,—First of all I would like to dispose of the question of payment for deposit. I know nothing whatever of any payment having been made while I was Treasurer for deposits and if any was made it was quite unnecessary.

The first time I ever met anybody in connection with the Home Bank was within a few weeks after I became Treasurer and that was through Mr. Claude McDonald, Senator, who is of such a high character I would never think of his being mixed up with anything irregular. He asked me if I could not increase the deposit to the Home Bank. Before I dealt with the increase I looked up the bank's record and the annual statements. It looked a good deal better than some of the other banks and I accordingly gave an increase of a couple of hundred thousand dollars. At that time the Province did most of its business with the Bank of Montreal, who were our fiscal agents for almost all securities which had been issued in the office. In 1915 I went to New York and put through a loan for \$4,000,000. We had lost a little in England and thought we ought to look up a new market and I put through a loan in New York on very favourable terms, received the money and placed it in the Bank of Montreal. We placed the money in the Bank of Montreal. Within a few days I got a telephone message from the manager telling me Sir Frederick Williams Taylor refused to pay more than two per cent. on our deposit. From that time on we were not very good friends of the Bank of Montreal and I decided to stand behind the people who stood behind us.

That was the first occasion upon which we made a big deposit in the Home Bank and we had other deposits in different banks throughout the city. The war came on and I was endeavouring to get money everywhere, and about 1916 or 1917, when Mr. Haney, who was president of the Home Bank, said he might

be able to assist me and he identified himself with the resource committee which was formed by all parties with the purpose of promoting the expenditure of two million dollars a year for the benefit of those engaged in the war. That was entirely a non-partisan committee and they appointed Mr. Harris, president, and Mr. Haney, vice-president, and he took such an active part that the committee decided to do its banking through the Home Bank. The money which we raised was deposited in the Home Bank.

In 1917, Sir Thomas White—I am now branching on to another feature of the case—Sir Thomas White was putting out the largest loan Canada had experienced and he called the attention of the prominent brokers to the effect that they were in the market and they were going to put across a big flotation and he asked the municipalities and the Government not to go into the market, and he went further and said this, that if we should require to borrow more money, if it was a case of absolute necessity, the Dominion Government would give us money.

In 1918 I went to Ottawa to interview Sir Thomas White and find out where I could borrow money and I was satisfied to pay $6\frac{1}{2}$ per cent., as I was forced to pay. All the banks were at that time in need of money and were hard pushed on account of these loans. Now, then, $6\frac{1}{2}$ per cent. was the rate I had to pay for five years and I found it very difficult to finance, and any gentleman who was engaged in banking in 1917, 1918 and 1919 will understand how difficult it was to obtain money.

I made it a point in the years I was in the Department to put through loans myself and I personally took the responsibility of putting through all loans and never paid anybody a commission that does not appear in the public accounts. When we come to 1919, the Dominion Government started the biggest campaign of all; they wanted to raise from five to seven hundred billion dollars and by September every broker in Toronto of any significance who was in the bond business was asked to give his promise to the Finance Minister that he would not carry on any financial undertaking during the time the campaign was on. It lasted during October and November, 1919.

I went to New York the latter part of August and found I could not borrow any money at any length of time; money was costing from 6 to $6\frac{1}{2}$ per cent. I interviewed insurance men and brokers in Toronto and they refused to lend us money on account of the Dominion loan. I met some of the Home Bank people here and told them my position, that I had to get money and nobody seemed to want to lend it, and they told me they might possibly do it through the Park National Bank and asked me what I would give. I said I wouldn't give more than $6\frac{1}{2}$ per cent. At the end of six months I put out a loan at $5\frac{1}{2}$ per cent. and endeavoured to bring down the rate as we could not continue to pay $6\frac{1}{2}$ per cent. I gave them a letter. I did not fix the rate at $6\frac{1}{2}$ per cent. as I found out that the outside rate I would be charged was $6\frac{1}{2}$ per cent.

MR. CLARKE: That was an alternative?

MR. MCGARRY: Yes, if they could get it through at a lower rate they would do it. I was leaving the city and going east and I wrote a letter to the Home Bank. On the same day I wrote a covering letter with regard to what I intended to do in the future. I was going to put out a loan at $5\frac{1}{2}$ per cent. and they were able to quote me a rate I would give them the first opportunity. If it was not offered I would not put through the loan.

With regard to the profits which are shown according to Mr. Clarkson here, the Province knows nothing about that. Speaking as a Treasurer, we gave nothing. I made a definite agreement regarding the discount rate and I may

say covering everything with regard to these commissions which appear to have been paid, and I might say that nobody in the Government received five cents commission in connection with any of these deals. I know nothing direct about these affairs. I received none and know of no person at any rate who received anything.

I would like to say one word more in connection with the evidence given by Mr. Ridout. Mr. Ridout said he put through some deals. He put through one deal and that one was a loan of \$2,000,000. He came into my office in 1916, introduced by some person, and asked me if I wanted cheap money. I said yes, and I said what rate? He said I don't know, but I have some good people. I said, you will have to tell me who the people are; I did not know Mr. Ridout but I made inquiries and found he was an insurance broker. I said, Mr. Ridout, I will not put through a loan unless I get in direct touch with your principals, and he told me the firm were Bond and Goodwin of New York. I said, you get a quotation, and if it is satisfactory to me we will put through the loan. He subsequently wired me he was able to get the money, and I said I will meet your principals, and I did, and we put through an Order in Council for two million and they quoted me the rate. He wanted to put through a deal in which he would get the exchange, but I said no, whatever commission is to be paid must be settled before the loan is put through. We paid over the amount and I finally agreed to give him one-quarter of one per cent. and he was to pay for the legal opinion. That loan was put through but the money was paid over to me in the Bank of Montreal in New York by Bond and Goodwin, and my recollection is they debited the amount of the commission and we got the benefit of the exchange.

One more thing. There has been a great deal said about the purchase of some stock in England. I was responsible for the legislation which enabled that stock to be purchased. In 1916, about December, a representative of the Treasury Department of England came out to New York and Washington, and he sent for me to meet him and he told me England found it difficult to finance on this side of the water; they were incurring great difficulty in getting ammunition and found it almost impossible to get any more money and they had to turn securities they held into money. They had \$17,000,000 of our inscribed stock and he told me that they were going to turn that into securities. I said I could not speak for my Government, but I would go back and if they were agreeable we would pass legislation. In 1917 we passed the legislation. On the 7th of April I made the budget speech and the finances were voted for that purpose. I was not very long after the United States came into the war, and this gentleman sent for me and told me now they could get all the money they wanted and all the ammunition and we did not need to go ahead. The legislation went through the House. From that time until the time I left the Treasury Department never bought a bond except for the purpose of retiring our sinking funds, but by the Bank of Montreal, in London, England. I may be wrong on this; if I am they will find the records. There may have been a few thousand dollars paid over the counter and for that reason I do not want to be too positive. So far as I am concerned I know of no bonds purchased except to provide sinking funds.

On more than one occasion I had figured out for me how much money we could save if we were able to buy at one time and I gave Mr. Smith the benefit of my information. The necessary legislation was passed in regard to all the transactions and I am only giving you my own statement as to what occurred.

MR. DOHERTY: You gave to Mr. Smith or expressed to Mr. Smith your opinion that it was good business?

MR. MCGARRY: In principle yes, the only question was the one of profit. I do not want to say a word against any person and merely give my own account.

MR. LEWIS: When you say the principle of purchasing the bonds, you would have in your mind you would buy them at the market price?

MR. MCGARRY: I had in mind the purchasing of them below par and at a time when a change was beneficial to us. I think there are records which disclose that. I had three different specialists in the bond business figure out what we could make and one figured out we could make \$2,000,000—that is, as a matter of legislation going through the House. I felt there was a good deal to be said against it. As is known, when you go into the market you are going to have opposition and I knew he was wrong on his figuring.

MR. CURRIE: You never expected to go to work and pay 10 to 12 per cent.?

A.—I prefer not giving any opinion.

MR. DOHERTY: The desirability of purchasing these bonds and the value that could properly in good business be paid by the Province would depend upon the succession duty rate; if that was increased it would be good business to buy at a high price?

A.—When these bonds were issued by Colonel Matheson the question of succession duty was very small. We only collected about \$4,000 a year. As it increased you were losing more money; it is a matter some person will have to figure out. I do not go beyond the principle. I do not want to give an opinion here.

MR. CLARKE: You did not buy any of these bonds?

A.—No. At that time we bought some as low as 71; that was before 1917, before the Act was passed. We had to have a sinking fund and that required a certain amount.

HON. MR. PRICE: These would be purchased by the Bank of Montreal in London?

A.—Yes, all bought through the Bank of Montreal; I know of none bought through the fiscal agent.

MR. CLARKE: I think at the time of Mr. Matheson the succession duties were very small?

A.—Yes.

MR. CURRIE: In your Department, before you left, what did Mr. Mathews do?

A.—Mr. Mathews was secretary, and during the time I was there Mr. Sroule was Deputy Minister.

Q.—Was he a bond expert?

A.—Mr. Mathews? I would not like to give any opinion. He was a good secretary for me.

Q.—Did he buy any bonds?

A.—I bought bonds myself. I got prices from every bond man I met. I went to New York and they were submitted to the Legislature and are all in the Public Accounts. I would not give an opinion about any I do not know about.

G. R. Harris, sworn.

THE CHAIRMAN: Have you got your books of account?

A.—Of the Securities Company?

Q.—Provincial Securities first?

A.—No, sir.

Q.—You were ordered to produce them?

A.—I told you if it were possible I would obtain them; I was not able to find them.

Q.—What explanation have you got to make for their absence?

A.—I have not been able to find them, Mr. Chairman.

Q.—The Committee ordered you to produce these books and you said they had not been destroyed and we would like you to give a full explanation of what became of them?

A.—I have absolutely no idea, sir.

Q.—What efforts have you made to find them?

A.—I have searched all through the office and every place they could possibly be.

Q.—What books were they?

A.—I have a book I remember, the only book I remember keeping was one book showing the prices I paid for the bonds and people from whom I purchased

Q.—Showed all disbursements?

A.—Not that I recollect.

Q.—Show your borrowings of money?

A.—I do not think so.

Q.—It was a book of account?

A.—I can't say that it was.

Q.—When did you see it last?

A.—I have no idea. I presumed I even had vouchers till I turned up the other night.

Q.—What about this book; is there only one book?

A.—I only remember keeping one.

Q.—Don't you know whether there was one or more?

A.—To the best of my recollection there was one.

Q.—It is gone hopelessly?

A.—Yes.

Q.—Where have you searched?

A.—All over my office.

Q.—Yes.

A.—Yes, the only place it could be.

Q.—Who kept the books, who made the entries?

A.—I did myself.

Q.—It covered all the bond transactions of the Provincial Securities?

A.—I am not particularly certain. It was kept for my own purposes. I can't recollect what entries were in.

Q.—You are a business man and you know the law requires you to keep books?

A.—I do not know what the regulations are.

Q.—This is the only book of account you had in connection with the Provincial Securities Company and you say it is lost?

A.—I have not been able to find it.

Q.—Are you going to find it?

A.—I don't know where it has gone; I haven't been able to find it.

Q.—Have you exhausted every possible place of search?

A.—Yes, sir.

Q.—What about your other voucher?

A.—I do not know where the vouchers are.

Q.—Have you searched for them?

A.—Yes, sir.

Q.—Everywhere?

A.—Yes, sir.

Q.—What about the correspondence we asked you for?

A.—What correspondence?

Q.—Of the Provincial Securities Company?

A.—There was very little.

Q.—Where is it?

A.—I haven't found any records at all

Q.—Have you found any papers or documents of any kind at all? Have you anything to offer us?

A.—I have one record and that is merely a memorandum as far as I can gather, a memorandum of the bonds I was trading in; that is the only thing I can find. That is a list I made up at the time of the bonds I was trying to buy.

Q.—This is a memorandum that was made by you?

A.—As far as I recollect it was made by me.

Q.—Are these entries in your writing?

A.—Typewriter.

Q.—There is ink and pencil on it?

A.—All my writing.

Q.—Who did the typewriting?

A.—I am not absolutely certain about that.

Q.—When was this made?

A.—I really can't tell you, I don't know the date.

Q.—This is headed insurance and the top is: Name and address and particulars. What does insurance mean?

A.—It means these are insurance companies that I knew held these bonds.

Q.—This was the name of an insurance company that held this class of securities?

A.—I think they are all insurance companies.

Q.—Where did you get this list from?

A.—I got them from the blue books.

Q.—You prepared this from blue books?

A.—I think so.

Q.—No other source?

A.—No, sir, not as far as I can remember.

Q.—Where did you get this memorandum?

A.—Which?

Q.—Where did you find this?

A.—Got them in the blue books.

Q.—Where did you get these.

A.—In my office.

Q.—No other papers where this was?

A.—No.

Q.—This is the only thing you can find?

A.—Yes.

Q.—Did you keep any files?

A.—The only files were kept in my brother's office at his office on Bay Street.

Q.—Have you searched down there?

A.—He hasn't been there for two or three years

Q.—Who has his papers?

A.—When he left this office these papers and everything pertaining to Provincial Securities were taken to Hamilton.

Q.—The stuff all went back to your office in Hamilton?

A.—As far as I can remember, it did.

Q.—You cannot get anything else but this?

A.—This happened three years ago.

Q.—It was a considerably sized transaction, involving what?

A.—Half a million dollars.

Q.—And all the records are gone?

A.—The transaction was a large one, and there would be very few records.

Q.—This was a transaction involving half a million dollars and probably the biggest transaction you ever made?

A.—Nothing like it.

Q.—Larger than half a million?

A.—Yes, sir.

Q.—Are the others all gone, the records of the other transactions all gone?

A.—All the transactions in my business I have transacted for years?

Q.—Yes?

A.—No, we still have some.

Q.—This particular one is gone?

A.—This transaction in connection with Provincial Securities.

Q.—Any other transaction?

A.—No, I did not say so.

Q.—So far as you know you have records of all transactions?

A.—I cannot say that.

Q.—Have the others gone?

A.—No.

Q.—This is the only one that has gone?

A.—I do not know. I can't tell whether they are all there.

Q.—This transaction with the Province of Ontario, involving half a million dollars, is completely lost and the records gone?

A.—I can't find them.

Q.—Yet you can lay your hands on others?

A.—I cannot say so.

MR. BIGGS: You might make that a little plainer. Are there any other transactions but the Provincial Securities—are the records there which he can turn up?

THE CHAIRMAN: Are there any records of the transaction with the Provincial Securities you can turn up other than this with the Province of Ontario? Did they have transactions with other people?

A.—With the new firm I had in Hamilton, they had a few transactions.

Q.—Their object was selling to the Province, wasn't it, that is what the purpose of the company was?

A.—No.

Q.—Did they do any other work?

A.—Yes, sir.

Q.—What other work did you do? Who else were you dealing with?

A.—The only other dealings I can recollect are dealings with my firm in Hamilton.

Q.—That is Browning?

A.—Yes.

Q.—With your office?

A.—Yes.

Q.—In answer to Mr. Biggs' question we can put it this way, that the transactions for Provincial Securities with anybody else are still intact?

A.—It is still intact.

Q.—Transactions of the Provincial Securities with everybody can be obtained?

A.—I really do not know.

Q.—You told us a moment ago, the only other transactions they had were with the Browning firm?

A.—Or the late firm of Morgan, Harris.

Q.—These are all on record in Hamilton?

A.—Yes.

Q.—The ones with the Province have mysteriously disappeared?

A.—They are not available, I do not know where they are.

Q.—Does anybody else know where they are?

A.—Not that I know of.

Q.—You have given information to suggest how they disappeared?

A.—No.

Q.—They were never destroyed?

A.—Not that I know of.

Q.—You never gave instructions to have them destroyed?

A.—No, sir.

Q.—Every other business transaction you can give or account for but not with the Province?

A.—There is reason for it.

Q.—Give us the reason?

A.—Would you like me to give you a complete statement of the whole transaction?

Q.—Give us the reason for its disappearance and not the others.

MR. CURRIE: Cough up the whole story.

THE CHAIRMAN: You suggested there is a reason why this disappeared and not the others?

A.—The only reason I know of is the fact that the proper books were not kept in connection with it. I have not got any contract and don't know where they are. If I had been going on with the Provincial Securities the proper books would be kept.

Q.—You have records of what they did with your own firm, haven't you?

A.—As far as I know.

Q.—When it comes to dealing with the Province they disappear—

MR. DOHERTY: Your own firm have records?

A.—With the Provincial Securities.

MR. CURRIE: You want to make a statement, don't you? You said you wanted to make a statement of the whole thing. Go ahead and make a statement.

WITNESS: By your permission?

THE CHAIRMAN: Yes.

WITNESS: (Reads statement.)

THE CHAIRMAN: Will you sign that, please?

A.—This is my own remarks. There is one thing more why I felt that the Bank of Toronto—. I was in business with my brother and my brother failed and I had to assume obligations of \$18,000 with the bank and owed the Bank of Toronto \$5,000 which I personally assumed. That is the reason the manager allowed me to transact business.

Q.—Because you owed him money?

A.—He wanted to get his money back and that is the reason I could not transact Provincial Securities business under my own name.

Q.—If you will be good enough to sign that and hand it in?

MR. McKEOWN: I understand you to say the collapse of your company was caused by the failure of the Beaver Truck Company?

A.—That is primarily so.

(Statement marked Exhibit 113.)

Q.—Do you know who the directors were?

A.—No.

Q.—You know some of them?

A.—Some of them. Mr. Williams was one. Mr. Mulveney, a member of our firm, was one.

Q.—Do you know who held the stock?

A.—No, sir.

Q.—You know some of them did?

A.—I had nothing to do with any stock transaction with our firm. I was a salesman, selling bonds.

Q.—Any of the members of the Beaver Truck Company men that were prominently before the public around Hamilton?

A.—I cannot say.

Q.—You know the names of the directors; you had to do closely with the company?

A.—I had nothing to do. Didn't know, a month after we made advances to the company.

Q.—Were you in touch after the collapse with those who were the directors?

A.—No, sir.

Q.—Of the Beaver Truck Company?

A.—No, sir.

Q.—Did they have anything to do with you through the Provincial Securities or the Provincial business?

A.—The directors of the Beaver Truck?

Q.—Had they anything to do with your getting Provincial business because of the collapse of your own company?

A.—No, sir.

Q.—Who kept the books for you in connection with Provincial loans, yourself?

A.—Provincial Securities Company?

Q.—Yes.

A.—The only book that was kept, I kept myself.

Q.—Did you carry it around with you or leave it in the Toronto office?

A.—As far as I remember it was kept in the office.

Q.—With other books?

A.—That was the only book there was.

Q.—There was other books in your brother's office?

A.—There may have been.

Q.—Had you any thought that that book might be found in Hamilton?

A.—I cannot say.

Q.—You lost sight of it entirely when you got through with the Provincial loan?

A.—I do not know what time it was, it was some time afterwards.

Q.—I suppose in the books you entered what you paid for each of these securities you bought from the different security companies?

A.—They may have all been entered.

Q.—They would be if you kept the book at all?

A.—Yes.

Q.—Can you tell me any of these companies—the Central Insurance Company of Edinburgh, the Canadian Trust of Vancouver—did you purchase from them?

A.—I am not certain.

Q.—Is this just a list of the names who held securities?

A.—I do not know,—that is a memo.

Q.—Don't you know what it means? A.—It is only a memorandum of my own.

Q.—What does it mean as a memorandum? Does it mean anything?

A.—It means as I understood these companies had these securities.

Q.—This memorandum, as far as you remember, showed the companies who held securities?

A.—Yes.

Q.—Take the first one. The Central Insurance Company apparently held \$25,000 worth of the securities, is that right?

A.—Yes.

Q.—Did you purchase that?

A.—I am not positive.

Q.—Can you point your finger on any one of these securities we have mentioned and say you do know you purchased them?

A.—Yes, sir.

Q.—What one?

A.—I know I purchased that one.

Q.—What is the name?

A.—Stevens Insurance Company.

Q.—\$84,000?

A.—Yes.

Q.—If you have no record they will have a record of the amount you paid them?

A.—I would think so.

Q.—Tell me some other company; do you know the price you paid for that security?

A.—I cannot remember.

Q.—Have you a pretty good idea so we may trace it through their books, can you tell us?

A.—I am not absolutely certain.

Q.—Can you tell me any other company you bought any of these securities from?

A.—Yes.

Q.—New York Life Insurance Company, \$50,000?

A.—Yes.

Q.—Can you tell me the price?

A.—I think something about 93 or 94. I can't recollect it.

Q.—There is no use if you cannot swear.

A.—This took place so long ago.

Q.—93 or 94?

A.—Yes.

Q.—Do you know when you bought that security?

A.—No, sir.

Q.—But you paid for it, you don't know when it was?

A.—Not absolutely certain.

Q.—About when?

A.—Some time in 1921.

Q.—The price you paid was the market price?

A.—I cannot tell you that, sir, either.

Q.—Would it be the market price?

A.—It might have been paid as a fake value. I might have met their price.

Q.—We want to get what you did do. Do you know what you did pay for them?

A.—No, sir, I can't remember.

Q.—Can you tell me what you sold them for?

A.—I think they were sold at par.

Q.—Are these all 47's and 36's—you can't tell me the date. I see here a record in the journals of the legislature, these are 47's and bought on May 3rd, and you sold at par, is that right. May 3rd and you paid June 5th. You sold 47's at par and two days later another firm comes to the Province with 47's, the same security, and they sold at 83. Can you give me any explanation why your company would get 100 at par on the 22nd for that price and they are quoted at 83 for the same security three days later?

A.—I have no explanation.

Q.—The Browning Harris and Company, did you credit the next day. This is 65—that is different securities. I will treat you fairly. Here is 47, on the 21st June, paid to the Dominion Securities, 28th June, \$98.75. Browning Harris is shown here on July 6th as buying at par?

A.—July 6th?

Q.—Two days before that A. E. Ames had sold the same security for 93. What have you to say in explanation of that—Ames & Company sell for 93 and you sell two days later at par the very same security?

A.—I have no explanation.

Q.—I could go through the book—look at it. Can you give me the names of any other of these firms. We want to find out what you paid. The next deal is the Mutual Life Assurance Company?

A.—I do not think so; I see it is marked off.

Q.—United States Fidelity and Guarantee Company?

A.—I don't know, sir; I do not remember. I think I bought that.

HON. MR. PRICE: Mr. Harris, when did you make out this list you produce here?

A.—I do not know the exact day, Mr. Price.

Q.—You made the deal with the Province on the 10th of February, 1921; did you make it the day before or at the same time?

A.—I really do not know.

Q.—Did you have this in mind when you made the deal, that you would buy from these various companies when you made the deal?

A.—I cannot recollect, sir.

Q.—Your recollection does not seem to be very good?

A.—It is only a list.

Q.—You made out this list from various insurance companies. You went to the blue book and made it out?

A.—Yes.

Q.—You were going to buy this stock. Did you have that figured out before you made the deal with the Province?

A.—I do not think so.

Q.—Did you do it on the same day?

A.—I really do not know.

Q.—What length of time afterwards?

A.—Might have been a month or week beforehand.

Q.—You haven't got the Canada Life in this list, have you?

A.—I don't think so.

Q.—You haven't got the Manufacturers Life?

A.—I presume the list was mailed afterwards.

Q.—That looks as if the list was mailed out afterwards. You did so well with these two you thought you could do some others?

A.—On financing insurance—

Q.—You got your hand in and took the other hand and got money from the Province, that is right? Answer the question. We are treating you fairly and never mind speculating. You went to these various companies and asked them to sell their stock to you?

A.—Some of them.

Q.—Were these the ones which are penciled in red?

A.—I really do not know.

Q.—Which are the ones you bought and which didn't you buy? Why did you pencil in red?

A.—Some are penciled in blue.

Q.—What does the red pencil mean?

A.—I would imagine this meant after I bought the bonds and I had been in communication with them—it meant something.

Q.—The Committee can see what is produced here, the list of insurance companies and fire insurance and other companies and the amount of stocks you intended to buy. When you did make your deal—we will try and find out from these various companies what you did. When you did make this deal with the Province and made this list you got in touch with a great many people to buy these stocks, bonds, and inscribed stock?

A.—Yes.

Q.—You circularized the brokers?

A.—I might have,

Q.—You sent out circulars?

A.—I am not positive, sir.

Q.—Do you want to tell this Committee you did not circularize the brokers, saying you would buy stock?

A.—I may have done so; we send out thousands of circulars.

Q.—Did Morgan, Harris and Mulveney circularize?

A.—I don't remember, I don't know.

Q.—You had to get this stock for the Province; you had an order to get it for the Province. You had the Provincial Securities going and you had the Morgan, Harris and Mulveney going at the same time, didn't you?

A.—They merely wanted—

Q.—I want to be fair. You had Morgan, Harris and Mulvaney, Limited?

A.—They were winding up their affairs.

Q.—They were in the business?

A.—They were doing a little business.

Q.—Why do you want to sidestep before the Committee? Did Morgan, Harris and Mulveney, Limited, send out circulars?

A.—I am not sure whether they did.

Q.—You must get down and be positive?

A.—I can't be positive, I don't know.

Q.—How did you get the stock for the Provincial Securities Company? You had to get it in and get it for the Government? How did you get it?

A.—I went to the insurance companies myself.

MR. MCKEOWN: Direct to the Head Office?

A.—In some cases, some were in Toronto and some New York.

Q.—One Vancouver and one Montreal?

HON. MR. PRICE: Did you insert an advertisement in the papers?

A.—Not that I am aware of, sir.

Q.—You would be aware, you were running the Provincial Securities and running Morgan, Harris and Mulveney, Limited. Did you put an advertisement in the paper under your own name?

A.—Not that I remember.

Q.—Under the name of Provincial Securities?

A.—Not that I remember.

Q.—Did you have anyone else put an advertisement in for you?

A.—Not that I remember.

Q.—Did you have a law firm in this city put an advertisement in, March, 1921, or April—they were buying up stock?

A.—Not that I remember.

Q.—You were the whole Provincial Securities?

A.—Yes, I don't remember any law firm doing any business for me.

Q.—Did you have a law firm insert an advertisement in the papers at that time calling attention to the fact that you were able to take up a certain amount of stock, this inscribed stock or bonds, succession duty free?

A.—I do not think so. I can't swear to it.

Q.—It is appalling how indefinite you can be.

MR. CURRIE: You have lost your memory since you were here last.

HON. MR. PRICE: I have a letter here that you sent out—just read this letter—Morgan and Company (reads letter).

Q.—That is when you were doing your big business with Provincial Securities. (Continues reading letter.) Do you remember that?

A.—I don't remember it.

(Letter marked Exhibit 114.)

Q.—You come before this Committee and tell us your other companies had gone out of business and you put up the Provincial Securities?

A.—Yes.

Q.—You just signed a statement which by your own circular shows was not the fact, that is right, isn't it? You have got to be frank with this Committee,

you have to come back anyway in connection with Browning, Harris Company. I want to clear up this: you were sending out circulars and did send out circulars as soon as you got the contract?

A.—The circular went out about three weeks later. I cannot remember what letters I dictated.

Q.—Was there a way fixed up for the circular to go out? You sent it out for the other firm you said was out of existence. Can you remember advertising in the press? I got to that before and your memory wasn't good. Do you remember advertising in the press in Toronto that you had clients for these bonds—you wanted to buy bonds?

A.—I cannot recollect it.

Q.—Did you do it in your own name?

A.—I cannot remember, I can't tell you.

Q.—Who are your solicitors here in Toronto—or at that time—solicitors for the Provincial Securities Company?

A.—We had no solicitors.

Q.—Did you have solicitors for Morgan, Harris and Mulvaney, Limited?

A.—In Hamilton.

Q.—Who were they?

A.—Skenes and McKenna.

Q.—Who were their agents in Toronto?

A.—I don't know.

Q.—I want to give you a chance. I am going to contradict your evidence at the next meeting and show you did advertise.

A.—We may have done so.

Q.—I am going to give you a chance to say you did advertise. I am giving you fair warning?

A.—We may have done so, I can't remember.

Q.—Why did you want to advertise in the name of solicitors instead of your own name?

A.—If it was done it would be for the same purpose of covering any bonds I could buy.

Q.—Did you circularize the old country?

A.—Not that I am aware of.

MR. CURRIE: Do you know Mr. Stevens?

A.—Yes.

Q.—Is he a stockholder in the Beaver Truck?

A.—I do not know, sir.

Q.—You got badly touched on that?

A.—The firm did, yes.

Q.—How much?

A.—Somewhere between \$90,000 and \$100,000.

Q.—You do not remember the directors?

A.—No, sir.

HON. MR. MCCREA: Were you liable for the guarantee or loss your firm took?

A.—I am liable to the bank for the whole liability of the company to the bank. The firm lost money by making a contract on an advance of preferred stock they bought.

MR. CURRIE: They went to work and bought Beaver Truck stock, about 90,000?

A.—Yes.

Q.—And put it into the bank and got a loan, is that right?

A.—I think so.

Q.—Don't fence with this Committee. There are some intelligent men here, so come down straight and tell the whole story. Who had authority to put it up with the bank?

A.—The proper authorized officers.

Q.—You were secretary-treasurer?

A.—I was secretary, Mr. Dean was president, and Mr. Mulvaney was vice-president.

Q.—Do you mean to tell me you had nothing to do with the loan?

A.—Absolutely.

Q.—Where were you?

A.—I was handling the bond end.

Q.—You know some of the shareholders?

A.—Very few.

Q.—Who was it came to you and got you into that sort of thing?

A.—As I understand, negotiations took place between Mr. Williams, Mr. Dean and Mr. Mulveney.

Q.—Who was Mr. Williams?

A.—General Manager of the Beaver Truck.

Q.—Were they selling trucks to the Dominion Government?

A.—I do not know.

Q.—What inducement did they make to you to get you to go into that?

A.—It was a selling business proposition and we were to get a commission for handling the stock.

Q.—How much?

A.—I do not remember.

Q.—You lost your money?

A.—Yes.

Q.—You do not remember who the directors were of a company you lost \$90,000 over?

A.—I do not know.

Q.—Do you expect this intelligent Committee will take stock of that?

HON. MR. MCCREA: You can find out who the directors are.

MR. CURRIE: I am just testing his memory. You swear you do not know who they were?

A.—I certainly do.

Q.—Was there any member of the late Government went to you and got stock?

A.—I don't know.

Q.—You remember how much you made out of transactions with the Provincial Securities?

A.—Which transactions, all of them?

Q.—All of them?

A.—I told you between \$25,000 and \$30,000.

Q.—It is wonderful how your memory has become. Have you talked this matter over with anybody?

A.—No, sir.

Q.—With any of this Committee?

A.—No, sir.

Q.—Who were you talking it over with? You know there has been a spill and we know a lot of things?

A.—I saw something in the paper.

Q.—You know there are some officials have been getting up and have been pretty honest in connection with the transactions. You have no protection and I think the best thing you can do is tell the whole story. Come along, and tell us all you know about that money you drew from the bank. Tell us what you did with the money that you drew?

A.—I don't know how much money I drew.

Q.—Tell the Committee the whole story and be through with it; you might as well, it is going to come out. Tell it now, and do not wriggle around as it is going to come out. Tell what you know. Tell the Committee. Make a clean swipe and do not hesitate. Straighten up and tell us?

A.—What do you want me to tell?

Q.—Tell me what you did with the money you drew out of the bank. You better do it now and tell us who got some of the money. I am rather of the opinion that we know. Tell the Committee. Go on and tell this Committee?

A.—I have no remarks to make.

Q.—You do not want to say anything?

A.—No, sir.

Q.—I think the best thing you can do is make up your mind to tell the right thing.

THE CHAIRMAN: Do you mean to tell Mr. Currie you do not know and do not intend to tell?

A.—I am willing to tell you anything I did with the money. I am willing to tell you or Mr. Price personally.

Q.—We want you to tell the Committee.

MR. CURRIE: Supposing you get protection from this Committee?

A.—I have nothing to hide. I feel the way that money went is something that is going to affect other people.

MR. CURRIE: We know that. We are not gunning after you?

A.—It is going to affect the business interests of other concerns.

THE CHAIRMAN: The Committee are the judges. You are sworn to tell the whole truth. We want you to tell us or perhaps the Committee will adopt some other method. Do you want this Committee to act on it? You told us you now what you did with the money. Do you want to refuse to answer? You had better understand the responsibility you are taking?

A.—Mr. Chairman, I would very much prefer to give it to you personally. I will give it to any member individually.

Q.—You are now getting an opportunity and you will get one more opportunity and if you refuse to answer the questions the Committee will be forced to take some action.

A.—I cannot tell you, I haven't the date in front of me. I can tell where it went.

MR. CURRIE: This Committee can lock you up.

MR. MCKEOWN: We are not anxious to do that, but we are anxious to know what became of the money.

A.—Do you want the details?

THE CHAIRMAN: We are prepared to sit all night if necessary, and as soon as you realize we are after it, the better.

WITNESS: I have already explained to you I had to assume these obliga-

tions of Morgan, Harris and Mulvaney. I paid \$6,500 to the Bank of Montreal, the Merchants Bank of Canada in Hamilton as it was then.

Q.—To whose credit?

A.—To the credit of Morgan, Harris and Mulvaney to pay back the notes to the Merchants Bank, who had no collateral for it.

Q.—Whose note?

A.—Morgan, Harris & Company.

Q.—In connection was it in the Merchants Bank?

A.—It was a loan the Merchants Bank had and had some of the stock which was worthless—the Beaver stock.

MR. CURRIE: You said a moment ago they had no collateral whatever.

THE CHAIRMAN: It was a loan made in connection with Beaver stock?

A.—Yes.

Q.—Who had taken the stock up, or was this somebody you had sold the stock to and you endorsed the note and put it in the Merchants Bank?

A.—It was a loan made by the Merchants Bank to Morgan, Harris and Mulvaney.

Q.—For whose accounts?

A.—Morgan, Harris and Mulvaney.

Q.—For the sale of what?

A.—A straight advance made by the bank.

Q.—Do you mean to say there was nobody else on the paper?

A.—Nobody else but the firm.

Q.—That was the Merchants Bank?

A.—It was the balance due when they ceased operations.

Q.—What time?

A.—1921.

Q.—Do you want to tell the Committee, either originally or at any time during the currency of the loan, there was no other name in connection with the paper at all?

A.—What paper?

Q.—In the Merchants Bank?

A.—There was only the note.

Q.—Nobody else on it?

A.—No, as far as I know. I do not recollect.

Q.—You want to tell us this was the balance of a loan and on it there was no one else liable and did not affect any sale of the stock or any director?

A.—Yes, sir.

MR. McKEOWN: You were not personally liable any more than as a member of the firm?

A.—As a limited company.

Q.—You paid that by cheque?

A.—No, sir, I did not.

Q.—What did you do?

A.—I paid it over a period of months.

Q.—How did you pay it, by cheque?

A.—I would think they would be all cheques.

Q.—Cheques on the Provincial Securities?

A.—Cheques in Hamilton, my personal cheque, or Browning, Harris and Northey.

Q.—Provincial money you drew out at times?

A.—Money of my own which I utilized for that purpose.

Q.—From the Provincial Securities?

A.—Yes.

Q.—Was there a cheque from the Provincial Securities to cover these withdrawals?

A.—I would not think—

Q.—How did you get it out?

A.—Any money invested by me in any bonds were simply sold over a period of time and applied to the Merchants Bank.

Q.—And it might not have come down to the Provincial Securities' bank in Toronto at all?

A.—It is possible.

Q.—As we understood you at the last meeting, all your returns came into the Bank of Toronto?

A.—Yes.

Q.—To the credit of the Provincial Securities?

A.—Yes.

Q.—Therefore it had to be drawn out of there some way?

A.—Yes.

MR. CURRIE: He told us how he drew it out last time, now he doesn't know anything about it.

THE CHAIRMAN: You say you do not know how you got the money out you paid over to the Merchants Bank?

A.—I did not make that remark. The money would be put in. As I required money I exchanged bonds and resold and realized the proceeds and paid off the Merchants Bank.

MR. CURRIE: How much did you pay?

A.—\$6,500.

Q.—Who was the manager?

A.—Mr. —.

Q.—What else did you do with the rest of the money?

A.—Done various things.

Q.—Tell us some more.

A.—I paid the Bank of Toronto in Toronto.

Q.—I thought you said it was going to hurt somebody a little while and you had my sympathy. What did you do with the rest of it?

A.—Made two personal loans of \$9,000.

THE CHAIRMAN: Each?

A.—No, five and four.

Q.—Tell us who to?

A.—Mr. Chairman, do you insist I tell you who to?

Q.—You have been ordered—you have got to answer these questions regarding these moneys you got from the Provincial Securities Company and we are going to trace it.

HON. MR. PRICE: You have to account for \$15,000; you have given \$6,000.

MR. CURRIE: Who did you make the loans to? Talk to me for a little while.

A.—I paid \$5,000 to Mr. Browning.

Q.—That is your father-in-law?

A.—Yes.

Q.—Who did you make the other to?

A.—The United Food Products in Dundas.

Q.—Who owns the United Food Products in Dundas?

A.—Dr. Caldwell.

Q.—Mr. Browning is the man that came down to take charge of the Attorney-General's Department in connection with the O.T.A.?

A.—He came down for that purpose.

Q.—He came down from Calgary to take the position?

A.—He was offered the position by Mr. Raney.

Q.—When was he offered the position?

A.—I do not know.

Q.—What did you do with the rest of the money? You got the \$10,000 back or \$5,000 back. What are the Food Products Company, that is not grape nuts or anything of that kind?

A.—I understand they are jam manufacturers.

Q.—They make up jam and that sort of thing?

A.—Yes.

Q.—Who were the men in connection with that that you were so friendly with? Who owns the concern?

A.—Dr. Caldwell.

Q.—Who is he, any relation of yours?

A.—No.

Q.—Alonzo Caldwell?

A.—Yes.

Q.—Who did you deal with in that company?

A.—Dr. Caldwell himself.

Q.—Is it an incorporated company?

A.—Yes, sir.

Q.—Who are the directors?

A.—I can't tell you.

Q.—Let us know?

A.—I do not know.

Q.—What security did you get?

A.—His personal note.

Q.—When did you get it?

A.—I have the notes in Hamilton.

Q.—When did you get the notes?

A.—At the time I gave him the money.

Q.—His personal note?

A.—Yes.

Q.—Not the company's?

A.—No, sir.

Q.—Where did you deal with him, at the company's office or your office?

A.—I don't know.

Q.—He is one of these co-operative farmers?

A.—I really don't know.

Q.—Do you tell me you go into a company without knowing anything about this?

A.—Dr. Caldwell is a great personal friend of mine.

Q.—We have had that story here before; they are all great personal friends. What did you do with the balance of the money?

A.—If my recollection serves me correct, the other two or three thousand dollars went to the Bank of Toronto to pay my brother's debts back.

Q.—You paid the Bank of Toronto \$5,000?

A.—\$2,000 or \$3,000 went to them; I made some payments before.

Q.—You said the first crack out of \$30,000 was to the Bank of Toronto for a loan?

A.—I said I owed them that.

Q.—Then you owed them \$3,500 more for your brother?

A.—No; I said I either owed or guaranteed my brother's advances for approximately \$5,000. I do not know how much I paid them; it was either \$2,000 or \$3,000.

Q.—Plus \$5,000?

A.—Out of \$5,000.

Q.—Let us get on with the rest; how much is there left?

HON. MR. PRICE: \$15,500.

WITNESS: That two or three thousand was applied on it.

Q.—That was included in the \$5,000?

A.—Yes.

Q.—There is \$17,000 unaccounted for, what happened the rest?

DR. GODFREY: You have not hurt anybody yet.

MR. BELANGER: You said you paid \$5,000 to the Merchants Bank?

A.—That is a payment made to the Merchants Bank. I paid \$3,000 to the lawyers and \$3,000 to Lees, Hobson & Company.

Q.—What are they?

A.—A firm of solicitors in Hamilton.

Q.—What is that for?

A.—That was for a letter of guarantee in connection with the old company taking back certain securities which they had sold and which had to be taken back and which I agreed personally to become responsible for.

Q.—More Beaver Truck?

A.—Yes.

Q.—That leaves how much? That is about \$10,000 left yet; \$30,000 received altogether and we have accounted for \$20,000. There is \$9,000 more; what happened to the rest of that?

A.—Give me credit for spending some, I don't know how much, I bought a new home.

Q.—We had a man buy a new home here the other day and that money did not go to the new home. I think you better make up your mind to tell us what here is in connection with the matter. We will have to bring down the Manager of the Merchants Bank.

A.—I have a letter here from him.

Q.—You said you had a letter which you took down to the Bank of Toronto and that was a paper which guaranteed the deal you put through before. You got a letter from this Department which you showed the bank and which guaranteed the transactions and that is why the bank put through the deal?

A.—I do not remember saying I had a letter at all.

Q.—I do, I have an exact memory of what you said; I remember that. They were not pressing you, why the bank was so liberal you said you got a letter from the Department which you took down to the bank. What has happened to the letter?

A.—If I remember, I got an acceptance.

Q.—Where is it?

A.—The acceptance might have been verbal or by letter.

Q.—How could you take a verbal acceptance down to the bank; the bank was not taking any chances on you? You must have done something before they advanced the money; I understood there was a letter. I have been keeping that in mind to ask you who signed the letter—did Mr. Mathews sign the letter?

A.—I told you it was an acceptance I got. I don't remember whether I got a letter.

Q.—Who gave you the verbal reply?

A.—Either Mr. Mathews or Mr. Smith.

Q.—If Mr. Mathews swears he didn't, then it must have been Mr. Smith?

A.—Probably. I don't, whether Mr. Mathews swears it or whether he don't.

Q.—What?

A.—I cannot remember.

Q.—You know who signed the letter, tell the Committee?

A.—I do not know how I got the acceptance.

Q.—You do not know how you got the acceptance?

A.—I do not remember receiving a letter.

Q.—Would you get an acceptance stating they had accepted your offer?

A.—I can't tell you.

Q.—You said you went down and banked on that and you showed it to the manager of the bank and the transaction was put through. You went to the insurance companies and bought that, knowing the bank was prepared to put the deal through because you showed the bank what you would call a buy order to you from the Government at a certain figure for these bonds, isn't that right?

A.—Not that I recollect.

Q.—You have the worst memory I ever heard tell of. All these transactions were in your mind at the time?

A.—I gave the assignors—

Q.—There would not be any assignors, the bank was not going to pledge thousands of dollars with you?

A.—It would not be necessary to do that.

Q.—Tell us who gave you the letter; if Mr. Mathews swears he gave you the letter, is that true?

A.—I don't remember receiving any letter at all.

Q.—If Mr. Mathews says somebody came to the Department and introduced you, will you swear that is not true?

A.—I can't swear to anything you suggest.

Q.—Was there anybody with you when you came up to see Mr. Smith?

A.—No.

Q.—Did anybody telephone for you?

A.—I don't know.

Q.—Your father and Mr. Drury are very old friends?

A.—I do not know.

Q.—Yes, you do?

A.—I do not know. To the best of my knowledge Mr. Browning does not even know Mr. Drury.

Q.—Mr. Browning used to be at North Bay?

A.—Yes, sir.

Q.—He used to be at Collingwood; he graduated in law from Collingwood

A.—I don't know where he graduated.

Q.—Who did he marry there?

A.—His wife came from Collingwood.

Q.—Was she any relation to Mr. Drury?

A.—I do not know.

Q.—You have some friend at court who must have waited on Peter Smith and got that deal?

A.—I have no friend as far as I know.

Q.—Do you mean to tell me that out of a Province that you are picked to be the chosen one who is to sell these stocks to the Government?

MR. McKEOWN: About this circular letter that went out from Morgan, Harris & Company, dated March 4th, 1921, that letter was sent out broadcast?

A.—I don't remember.

Q.—There is a letter signed George E. Harris?

A.—Yes.

Q.—You don't know of any letter ever being sent out by the Provincial Securities?

A.—I do not recollect.

Q.—Any dealings which would be the result of the letter would be dealings with Morgan, Harris & Company, not Provincial Securities?

A.—By the company.

Q.—I see it is dated 4th March, 1921, and I see in the journal of the Legislature from March 15th of the same year, a few days later, less than two weeks later, down here, and down here (indicating), and date of purchase, April and May, including a couple in June, there is about \$300,000 sold by the Provincial Securities Company. Is there any other circular letter besides this one?

A.—I do not know.

Q.—Are we right in supposing the whole purchase was made by Morgan & Company? Do you know anything about that? The purchase made as the result of this letter to Morgan & Company and sale made by the Provincial Securities?

A.—There a lot of these transactions, I know personally, of myself that I old.

Q.—Was there anything as a result of this letter?

A.—I can't remember.

Q.—Have you any letters in the files of Morgan & Company—because they would keep books?

A.—Yes, sir.

Q.—Have you any files showing any answer to this circular?

A.—I do not know.

Q.—Have you looked to see?

A.—I do not recollect circulars going out.

Q.—You have not looked in the files of Morgan & Company for any correspondence?

A.—No.

MR. CURRIE: Do you know anything about Snyder, to-night?

A.—No, sir.

Q.—Have you forgotten all about Snyder to-night?

A.—I have not thought very much about him.

Q.—Did you hear anything about his movements so we could have him here?

A.—No, sir.

Q.—Was there really any such a man as Snyder?

A.—Yes, sir.

MR. McKEOWN: He had no financial interest in the Provincial Securities?

A.—No, sir.

MR. LEWIS: Mr. Harris, at the time you were carrying on these deals with the Government you had partners in Hamilton?

A.—The other business of the firm?

Q.—In the firm of Morgan, Harris & Mulveney?

A.—Yes, sir.

Q.—Did your partners participate in the deals with the Province?

A.—With the Provincial Securities?

Q.—Yes?

A.—To a certain extent the firm participated.

Q.—The firm of Morgan & Company?

A.—Yes.

Q.—Participated out of the profits you made out of the bonds?

A.—Yes, to a certain extent.

Q.—How great an extent?

A.—I can't really tell you.

Q.—Can you put any figure on it at all?

A.—No.

Q.—Can you say it was as much as \$5,000?

A.—No, sir.

Q.—Or \$1,000?

A.—I do not know.

Q.—You wouldn't say it is \$500?

A.—No.

Q.—Did they know of this transaction at all?

A.—Well, I am not absolutely certain, the business knew bonds were coming over to the Securities Corporation, whoever was there. You must remember, Mr. Dean was making arrangements and had gone to Windsor two or three days a week.

Q.—He was to make arrangements to borrow and you would make arrangements to go to Toronto?

A.—Yes.

Q.—Can you tell us whether they knew of your transaction?

A.—I don't know.

Q.—You don't know whether they knew?

A.—No.

Q.—You did not advise them you were carrying on this?

A.—Outside of records that went in.

Q.—You can't say they participated in the profits?

A.—No.

Q.—How much did you pay for these services?

A.—\$12,000.

Q.—That is \$3,000 more than the balance of \$9,000?

A.—I did not pay for it all.

Q.—How much did you pay?

A.—I am not absolutely certain about that; there is still \$6,000 owing on it.

Q.—You paid something since then?

A.—Yes.

Q.—Is the deal still standing?

A.—I paid some since.

Q.—You paid less than \$6,000?

A.—I do not know.

Q.—You don't know how much you paid down at the time but you know it is being paid off now?

A.—Yes.

Q.—You cannot remember what the initial payment was which you made on the house?

A.—I can't without looking it up.

Q.—Supposing we admit you paid \$4,000 down?

A.—I don't think I paid that much.

Q.—\$3,000?

A.—Possibly.

Q.—That would leave \$6,000 to account for. Tell us what you did with the other \$6,000 you still have to account for?

MR. DOHERTY: I thought it was \$27,000 and not \$30,000.

WITNESS: I do not know what the exact figures are.

MR. CURRIE: You were pretty hard pressed for money as you say yourself?

A.—With these two guarantees I was pretty well up against it.

Q.—You were in a sorry plight?

A.—Yes.

Q.—How does it come when you were in that shape you made this loan?

HON. MR. PRICE: He made two loans.

MR. CURRIE: Particularly the one to the Co-operative Canning Company—it is up in Dundas, this company?

A.—Yes, sir.

MR. BIGGS: I have no knowledge of the company.

MR. CURRIE: You loaned them \$4,000?

A.—Yes.

Q.—Took their note for it?

A.—I took Dr. Caldwell's personal note.

Q.—What did you give him, bonds or securities—

THE CHAIRMAN: Have you the note?

A.—I can produce it.

Q.—He has not paid you?

A.—No, sir.

MR. LEWIS: Is he going to pay you?

A.—I hope so.

Q.—You really expect to get it back?

A.—Yes, sir.

Q.—When did he give you the note, the other day?

A.—No, sir.

Q.—You are sure you got the note?

A.—When the advance was made.

Q.—Did he ask you to make the advance himself?

A.—Certainly.

Q.—You told me when you were up against it, instead of giving \$4,000 to the bank, you loaned this money to another party. Why didn't you pay that instead of loaning it?

A.—That is my personal business.

Q.—This gentleman who is in charge of the company is a strong politician.

A.—I do not know about that at all.

Q.—Is he a friend of Mr. Biggs?

A.—I suppose Mr. Biggs knows him.

Q.—One of the organizers of the U.F.O. up there?

MR. BIGGS: You made a mistake; he is president of the Liberal Association in Wentworth.

HON. MR. PRICE: How did he know you had this money?

A.—I do not know how he knew I had it.

Q.—You told us you were nearly bankrupt and loaned a lot of money and that you had also lost a lot of money on Beaver Trucks. How did this chap know you had money to lend?

A.—I cannot tell you. I don't remember the particular time.

Q.—How did he come to you?

A.—I had known him for years.

Q.—Did he tell you how he found out you got the money?

A.—No.

Q.—How did he ask you for a loan?

A.—I gave it to him at different times.

Q.—Did you get several notes?

A.—I think I have two notes.

Q.—You handed it out to him at different times, over that period?

A.—Possibly four or five months.

Q.—There is not anything you are very definite on. What was he going to use it for?

A.—I think at the time he was just starting the United Company.

Q.—Did he have his company incorporated?

A.—I think part of the money I gave him was incorporating expenses.

Q.—Were you in on it?

A.—As a company, yes, I hold one share to qualify.

Q.—You had one share to qualify; you are a director then of this company of the fruit company?

A.—Nominal.

Q.—Who else is a director?

A.—His father and his brother.

Q.—And yourself? That is five directors?

A.—Yes.

Q.—Who were the others? We have no records now in the Provincial Secretary's office?

A.—I do not know.

Q.—You might as well tell?

A.—I really don't know.

Q.—You are the strangest chap I ever heard of. You do not know who your co-directors are. You are the most comical fellow in the world. We are going to get that information when you come back. We are going to get that information and we want you to refresh your memory and come back Wednesday morning. The \$5,000 to your father-in-law; I thought he was a wealthy man. Isn't he a wealthy man?

A.—Mr. Browning is pretty well fixed.

Q.—Why would you loan him \$5,000?

A.—I can't tell you.

Q.—You were hard up; you told us your companies were all going to bust, the whole world was tumbling down and you had to organize this Provincial Securities and yet you hand money out to your friends?

A.—Mr. Browning will verify that. Mr. Browning has very heavy commitments out west.

Q.—He was an official of the Government?

A.—He was an official of the Government.

Q.—The Farmer Government of Alberta?

A.—I think it was the Farmer Government.

HON. MR. PRICE: He was Deputy Attorney-General.

MR. CLARKE: When you loaned this \$5,000 to your father-in-law and \$5,000 to this jam concern, was that after you made your money, this \$25,000 or \$30,000 out of bonds you bought and sold to the Provincial Government?

A.—Yes.

Q.—In that case you would not be so hard up?

A.—No.

MR. McKEOWN: How much did you owe the bank in Hamilton?

A.—It was between \$140,000 and \$160,000, I am not certain.

Q.—How much did the firm owe the bank?

HON. MR. PRICE: Your firm, this firm of Morgan & Company, they owed the bank \$140,000?

A.—Yes.

Q.—You were loaning \$5,000 and \$4,000 to your friends?

MR. CURRIE: I want to find out the position of this man that is president of the Liberal Association for Wentworth. There was not any opposition to Mr. Biggs after that in Wentworth; there was no candidate?

A.—I am not a politician.

Q.—You know, they were pulled off, isn't that right, the Liberal candidates, they were pulled off?

MR. CLARKE: You could not buy a Liberal candidate off.

HON. MR. PRICE: Was our old friend Irwin Proctor in one of your companies?

A.—No, sir.

Q.—You did not loan him any money?

A.—No, sir.

MR. CURRIE: Do you know whether the money you put into the business was it put into the business or used for political purposes, the money that you handed over to the jam-man?

A.—I do not know.

HON. MR. MCCREA: Mr. Price has shown you to-night Exhibit No. 114, letter, a circular letter sent out by you or by Morgan & Company, and signed Geo. R. Harris, asking for Ontario bonds; were they buying bonds at that time? Were they in the market to buy bonds?

A.—There were a lot of commitments made for a period of two or three months.

Q.—They were in the bond buying business?

A.—That was their business.

Q.—The Provincial Securities was organized some time in February, 1921?

A.—Yes.

Q.—Were you interested in the business of Morgan & Company?

A.—As secretary-treasurer.

Q.—Here is what you swore to the last time I examined you. We were asking you about Provincial Securities Company and just after it was organized and who knew about it: Who did you disclose it to except the bank?

"A.—I can't remember.

"Q.—Did you disclose it to anybody?

"A.—Not as I am aware of.

"Q.—To the bank?

"A.—Absolutely.

"Q.—The bank knew you were the man behind Provincial Securities?

"A.—Yes.

"Q.—Who were the partners in the business at that time?

"A.—In the real business you mean?

"Q.—In your firm?

"A.—It was a limited company, Morgan, Dean, Harris & Company."

Q.—Did you disclose this to the bank that these were the men behind the Provincial Securities Company? Why did you not say they were your partners?

A.—It was not necessary.

Q.—You intended they should not know anything. "Did you have any partners?

"A.—There was properly authorized officers of the firm which was not actively engaged in business.

"Q.—Did they have offices in Hamilton?

"A.—Yes."

Q.—How do you reconcile that during the period of the Provincial Securities on the 4th of March, if that is true, this is a direct contradiction?

A.—Any obligations that Morgan & Company might have it would have to be taken care of some way through the bank. Obligations would be the purchase of bonds through other dealers and the resale to other dealers.

Q.—Listen, Mr. Harris, you told us here at the last meeting, I was present that the reason for organizing Provincial Securities was that the firm of Morgan & Company were out of business and your own statement is to the same effect. How do you reconcile that with this letter which says they were actively seeking to purchase that class of securities on the 4th of March?

A.—That was still in Hamilton.

Q.—You say there were two firms doing business, Morgan, Harris & Company was one and the Provincial Securities was another—that is what you told us to-night?

A.—As far as the business was concerned, if I sent circulars out, it was going out under their name.

Q.—You swore they were out of business?

A.—Except for the cleaning up of their business that had been contemplated.

Q.—The circular offers to buy new bonds and the Provincial Securities were cleaning up their business and this would be new business?

A.—It would be new business.

Q.—You haven't been telling us what is exactly right. One minute you say they were out of business and the next minute they were cleaning up old business?

A.—They were out of business; they were not in a position to do anything in the bank; their credit was gone and as far as transacting new business, it was simply a medium.

Q.—What was the total business Morgan & Company did with the Provincial Government?

A.—They did not do anything.

Q.—What was the firm other than Provincial Securities that did do business?

A.—Browning Harris.

Q.—When were they organized?

A.—May, 1921.

Q.—The Provincial Securities was organized in February, 1921?

A.—Yes, sir.

Q.—And carried on business up till September, wasn't it?

A.—I don't know the exact date.

Q.—You said some time in the fall of 1921?

A.—Yes.

Q.—In June, 1921?

A.—Yes.

Q.—So you had three concerns operating in the bond business at that time, Morgan & Company, and Provincial Securities, and Browning Harris?

A.—Morgan & Company are not yet closed up.

Q.—There were three companies operating: Browning Harris, Morgan & Company, and Provincial Securities, in which you were interested?

A.—During part of the time.

Q.—All operating during part of the time?

A.—Morgan & Company were not operating.

Q.—Explain that to this Committee?

A.—That took place after—

Q.—That date is marked March 4th, 1921?

A.—Yes.

Q.—Provincial Securities did business from February, 1921, to June, 1921, and yet they were looking for new business on the 4th of March. How do you reconcile what you swore to before and what you are swearing to now—any answer?

A.—I cannot answer that.

Q.—What was the gross business done by Browning, Harris and Company with the Provincial Government?

A.—I do not know what the exact figures are.

Q.—The statement before you shows that Browning Harris did \$564,700 business, would that be approximately correct?

A.—I would say so.

Q.—What was the profit Browning Harris made in buying and selling Provincial securities, approximately?

A.—I am not exactly certain. I would imagine between \$40,000 and \$50,000.

Q.—Would the books of Browning Harris tell us that?

A.—I think so.

Q.—You will have these here when you come again? You say about \$50,000?

A.—That is gross profits.

Q.—What business did Morgan & Company do with the Government, any?

A.—I don't think.

Q.—They were in the buying business; they were buying bonds, but not selling to the Government?

A.—After Browning Harris closed their accounts they had no business.

Q.—When did Browning Harris organize?

A.—The first of May.

Q.—Morgan Company would go out of business at that time?

A.—They are not out of business yet.

Q.—Are you still liable on the Beaver Truck transaction?

A.—I am still liable to the Union Bank.

Q.—For how much money?

A.—The advance, I think, is around \$55,000.

Q.—Is that personal liability or firm's liability?

A.—The liability is to the limited company, but Mr. Dean and myself are personally liable.

Q.—As guarantors?

A.—Yes.

Q.—That was at the time the company were operating?

A.—Yes.

Q.—Is Browning Harris liable in any way on that?

A.—No, sir.

Q.—You personally received all the profits of the Provincial Securities?

A.—Yes.

Q.—What share or interest did you have in the profits of the Browning Harris transactions with the Government?

A.—Fifty per cent.

Q.—Who had the other?

A.—Mr. Northey.

Q.—Will you be able to tell us what disposition was made of the \$50,000 profits on the Browning Harris transaction?

A.—I would think so.

MR. DOHERTY: Did you try to buy in any blocks of these securities?

A.—Lots of them.

Q.—Why did you fail to get them? Were there any blocks you tried to get you were not able to buy at a price that would enable you to sell them at a profit to yourself?

A.—Yes.

Q.—There were blocks where the holders wanted more money than the Province would pay?

A.—Yes.

Q.—There was some of these blocks that the holders refused to sell at a price lower than what you could get from the Province?

A.—Yes.

Q.—Would there be many?

A.—There were a good many I tried to buy I could not get.

Q.—What percentage of the blocks you went after and failed to get because holders were holding them at a higher price than the Province was prepared to pay?

A.—They were getting one block out of four.

Q.—There was about one out of three or four they held at a higher price than the Province would pay for them?

A.—Every bond dealer was, I presume, in the business; I did not know who was trying to buy them.

HON. MR. MCCREA: Can you give us the name, Mr. Harris, of any firm

you tried to buy bonds from and could not buy because the price was too high; that you tried to buy bonds from but were too high and that is why you didn't buy them?

A.—Because my price was too low?

Q.—Yes, can you give the names of the firms that wouldn't sell to you?

A.—They would not advance that as a reason.

Q.—I want you to name one firm?

A.—Will Mr. Doherty ask me the question again? Do you want me to tell you the names of the firms I couldn't buy from?

MR. DOHERTY: Either they would not sell then at any price or would not sell them at a price you could afford to pay?

A.—I wouldn't know which it was—they refused to buy them.

Q.—What price were you quoting them in trying to buy?

A.—During the different years?

HON. MR. PRICE: When the Provincial Securities Company were selling to the Province at par. Do not wiggle like that.

HON. MR. MCCREA: Tell us the names of the firms?

MR. DOHERTY: Let him answer the question: What was the highest price you were offering for these securities in 1921?

HON. MR. PRICE: From February till June.

MR. DOHERTY: What prices were you paid?

A.—I can't tell you. I know the price of one of the firms, they wanted to buy at 96 and 97; 97 was 4 per cent. bonds and the others were a little lower, 81½.

Q.—There was only one, as you say, out of three or four that would sell at the price?

A.—Yes.

HON. MR. MCCREA: I am going to ask you one question. Tell us the name of one firm who refused to sell you bonds because you did not bid high enough?

A.—I can tell you the name of the firm that refused to sell me bonds, but whether that is the reason I don't know.

Q.—What is the name?

A.—The German-American Fire Insurance Company of New York.

Q.—Tell us the name of a firm in England that refused to sell bonds because you did not bid high enough for them?

A.—I can't remember.

HON. MR. PRICE: Mr. Chairman, we have got to go into the Browning Harris Company sales. I think we could continue next day if Mr. Harris could bring his books here. Mr. Harris will also bring the prospectus of the Beaver Truck Company. If you sold bonds you had to have a prospectus.

PUBLIC ACCOUNTS COMMITTEE

April 2nd, 1924. The Committee met Wednesday morning at 10 o'clock, with Mr. Finlayson in the chair.

J. C. Whittaker called, sworn; examined by Hon. Mr. Price.

Q.—Mr. Whittaker, you were formerly employed in the Home Bank?

A.—Yes.

Q.—What position did you hold there?

A.—I held every position up to general supervisor, junior.

Q.—You were general supervisor at the time the bank closed its doors?

A.—Yes.

Q.—How long had you held that position?

A.—Offhand I would say two and a half years.

Q.—You would have your office then in the head office of the bank?

A.—Yes, sir!

Q.—Then in 1920, 1921, 1922 and 1923 you were head supervisor at the bank?

A.—Yes, sir.

Q.—You knew that the Province of Ontario had a deposit account in the Home Bank?

A.—Yes.

Q.—Had continued that deposit account for a number of years?

A.—Yes.

Q.—We had produced by the liquidator of the Home Bank certain statement of payments out, and payments into J. Cooper Mason's account; will you tell me, Mr. Whittaker, what the number of the voucher is of the commission account? I am referring now to Exhibit No. 93, produced by Mr. Clarkson, liquidator of the bank, which shows his statement of the commission account of the bank. Have you looked over that commission account of the bank?

A.—I have.

Q.—As prepared by the liquidator?

A.—As prepared by the liquidator.

Q.—Will you take this exhibit and look it over and follow it as we refer to the various items. This account, the first item in it is dated April 5th, 1921, and the last item is dated July 13th, 1923. Now those various payments made, Mr. Whittaker, take for instance the one of April 5th, the second one of April 5th, it is interest debit account, and then originally charged to suspense account, and it is cash, instructions of general manager, April 5th, 1921, \$3,500; just explain to the Committee what that means, and speak out, please?

A.—As explained to me by the general manager that was commission paid for influencing Ontario Government deposits with our bank.

Q.—And do you know anything about that particular item, that \$3,500?

A.—No.

Q.—What is the first item there that you know anything about personally, I mean that you had any connection with personally?

A.—It is either May 11th or July 27th.

Q.—July 27th, well, you hunt up the voucher in Exhibit No. 112. Mr. Whittaker refers to voucher No. 97, or rather Exhibit No. 97, produced by Mr. Clarkson, the liquidator, dated July 19th, 1921, and being a debit to a suspense account and drawn in legals for \$2,500, paid on July 20th, and attached to it a debit paid interest account dated July 26th, 1921, and referring to entry of July 21st, 1921, \$2,500. Well, what connection did you have with that particular item of \$2,500. I see it was drawn to legals, legals meaning bills of a thousand dollars—

A.—Legal tender.

Q.—\$500.

A.—\$500 and over.

Q.—Dominion bills of those denominations. Now what connection did you have with that?

A.—Well, the general manager told me that the Hon. Peter was coming down, meaning the Hon. Peter Smith, for some money. He said he didn't want to be disturbed. The Hon. Peter Smith came down to the general manager's office. The general manager said go down and get the money.

Q.—He said that?

A.—He said that to me.

Q.—What did he mean by go down and get the money?

A.—Go down and get the money presumably for the Hon. Peter Smith. I went downstairs.

Q.—Down, what does down mean?

MR. LEWIS: The money?

A.—Yes, sir.

Q.—In this voucher?

A.—Yes. The head office is on the third floor, the general manager's office. No moneys are kept there. The money part of the office is on the main floor, the ground floor. So I went down to the accountant downstairs in the Toronto office and asked him if he had any money for Colonel Mason. He said he had and produced this slip.

MR. PRICE: Yes.

A.—I went over to the teller; got the money from the teller.

Q.—When you say produced this slip you mean produced the slip in Exhibit No. 97?

A.—Yes. Went over to the teller, got the money, and initialled for it.

Q.—How much did you get?

A.—\$2,500.

Q.—Is that your initial?

A.—That is my initial for having received the money.

Q.—Then what did you do with the money?

A.—I then got an envelope from Mr. Chapman, the accountant at the time, placed the money in the envelope, went back upstairs to the general manager's office, and gave him the money, the general manager, in the presence of Hon. Peter Smith.

Q.—Well now, let us see; you went in the General Manager's office with the envelope in which there was \$2,500?

A.—Yes.

Q.—And in the general manager's office there was?

A.—The Hon. Peter Smith and the general manager, nobody else.

Q.—The general manager being?

A.—Cooper Mason.

Q.—Cooper Mason, and you handed the money to the general manager?

A.—Handed the envelope to Cooper Mason.

Q.—Was there anything said when you handed that envelope to him?

A.—Nothing.

Q.—How long were you in the office?

A.—Just long enough to walk in, hand him the money and walk out again.

Q.—When you were down at the accountant's getting the money did you have any conversation with him?

A.—I did. I asked him how he was putting these entries through, asking him that so there might be no unnecessary comment, and he told me they were debiting them to their debit interest account.

Q.—Who was the accountant?

A.—Chapman: Gordon L. Chapman.

Q.—How long was Chapman accountant with the bank at head office, or at the Toronto office?

A.—Toronto branch?

Q.—How long was he there?

A.—I cannot say offhand. Since he returned from overseas; the records will show that.

Q.—When you spoke to Chapman asking him how they handled these, was there any other further conversation about it; Chapman is the accountant?

MEMBER: Where is he accountant?

MEMBER: Accountant at the bank where he got the money.

MR. PRICE: Was there any further conversation when you were getting the money, because you said. How do you handle these? Why did you say this?

A.—Why, the inference was plain. He knew as well as I did what the intention was that the money be used for.

MR. MCCREA: The intention was what?

A.—That it was for influencing Province of Ontario deposits to the Home Bank.

MR. PRICE: Well, did you ask him at that time whether there had been other payments?

A.—No.

Q.—Prior to this?

A.—No; but I knew there had been.

Q.—How did you know there had been?

A.—From Col. Mason's conversation.

Q.—What was Col. Mason's conversation on other things?

A.—Well, he mentioned himself that the Hon. Peter Smith was not losing very much time.

Q.—That seems rather extraordinary because this payment you refer to is July 27th, 1921, and the first record we have of these payments was on April 5th, 1921. Mr. Smith came in as Provincial Treasurer on November 14th, I think, 1919. So how would that remark be made?

A.—Well, I would not say that an item on April 5th and another on May 11th, and another July 27th, was losing very much time between them.

MR. DOHERTY: These are 1921?

MR. PRICE: Yes.

Q.—Now before we go on with the other payments, do you know anything about a \$15,000 payment of which we have the stub in the cheque book of the bond department, the \$15,000, Hon. Peter Smith, Provincial Treasurer? Did you know anything about that payment?

A.—Nothing practically. There may have been a remark made about it.

Q.—Who made the remark about it?

A.—Oh, Col. Mason would have made the remark.

Q.—Yes, I know, would have made. Did he make any remark about it to you?

A.—No, sir. Not that I remember.

Q.—Now what do you say—what were you talking about—remarks?

A.—Well, that would be the only source that I would have of knowing about it.

Q.—Well, did you know about it?

A.—No.

Q.—Well, I cannot just follow your remarks then?

A.—I know about it now. I have known about it since.

Q.—Well, when did you get to know about it first?

A.—I think Mr. Clarkson showed me the stub, or one of his men, within 10 days ago.

Q.—Well then, from the time that this \$15,000 was indicated by this stub was drawn, until April 5th, 1921, there doesn't appear to be any record of payments in between?

A.—Well, these payments that you first referred to here are in connection, I understood, with deposits; this one is a bond transaction of which I would have no—

Q.—Well, you were getting deposits right along?

A.—We had deposits.

Q.—Right along?

A.—Yes.

Q.—How was this money, this commission, figured out?

A.—Oh, I have no idea.

Q.—Well, we will leave that for the minute and go along with these other payments. What was the reason, Mr. Whittaker, you dealt with this particular transaction on July 27th, 1921?

A.—On account of the absence then of the then Toronto manager, Mr. Calvert.

Q.—If Mr. Calvert had been there then you would not have dealt with it?

A.—I would not have

Q.—Did you deal with any other items? Just running down these various items. We have on November 3rd, payment to legals, \$4,000?

A.—The voucher is missing. No, I would not have anything to do with that.

Q.—You had nothing to do with that?

A.—No. The voucher is here; it is marked missing on the sheet.

Q.—Well, the other voucher is missing; there is a double voucher generally for these. Well, who initialled that?

A.—That is Chapman; nobody has initialled it to get the payment. These are the authority for it.

Q.—Well now, in that voucher of November 3rd, would not it be necessary for the manager of the Toronto branch to initial that?

A.—Well, he has, but not as having received payment.

Q.—He has initialled it for authority, but not for receiving payment?

A.—No.

Q.—Would that be sufficient authority for him to get that money?

A.—Oh yes; he was manager.

Q.—And hand it to anyone?

A.—Yes; in my own case it was not in my department.

Q.—And you were attached to head office?

A.—And I initialled for it.

Q.—You had to go into this branch and get it and they wanted your authority?

A.—Yes.

Q.—Then on December 29th I see a voucher, payment to head office, instructions J. C. M., \$3,300?

A.—Yes.

Q.—Do you know anything about that?

A.—No.

Q.—Is there anything that you see on that voucher, which is Exhibit No. 99, that the authority for that was Mr. Calvert's initial?

A.—Yes.

Q.—And that would be sufficient authority for him to draw?

A.—That would be sufficient authority, yes.

Q.—Then in 1922, we have March 11th, 1922, marked interest \$4,000, re Province of Ontario, instructions from J. C. M., head office?

A.—Yes.

Q.—Will you look at that voucher, marked Exhibit No. 101, find out is there anything that draws it to your attention?

A.—No.

Q.—Did you have anything to do with that?

A.—No.

Q.—Is that regular as far as the Toronto branch is concerned?

A.—Yes.

Q.—March 31st, is the next one, drawn profit and loss, \$3,000, re head office. It says there is no voucher, but there may be one voucher in the expense account and not in the other account.

MR. LEWIS: May 31st?

MR. PRICE: May 31st, 1922.

Q.—Exhibit No. 103, suspense account, June 19th, well now, how is that? that is June 19th, date of payment, but the date of the voucher debit slip in expense account is June 19th. How would that happen that you got one date in one and another in another?

A.—Well, that would be credited up to that suspense account, May 31st, and disbursed on June 19th. That is the date of disbursement.

Q.—That is also instructions of Mr. Calvert?

A.—Mr. Calvert.

Q.—The next item there is September 21st, re head office interest, drawn on September 21st, but date of payment, September 27th, 1922, and for \$3,000 payment made to head office; that is Exhibit No. 105; by whom was that authorized?

A.—In the first case here by Mr. Calvert; that is the date of payment. By Calvert and Chapman.

Q.—You had nothing to do with this?

A.—No.

Q.—Now, so far, to just clean up as far as we have gone, the only item you had to deal with so far personally was July 27th?

A.—Yes.

Q.—Because Mr. Calvert was away?

A.—Yes.

Q.—July 27th, that is 1921; then October 28th, re interest account, paid on October 25th, \$1,500 payment to head office; that is Exhibit No. 107, and authorized by Mr. Calvert?

A.—Calvert and Chapman.

Q.—The same way; had you anything to do with that?

A.—No.

Q.—On January 4th, 1923, suspense account, head office, interest paid December 20th, 1922, \$1,800 payment head office, and that is authorized by whom?

A.—Chapman.

Q.—By Chapman?

A.—Chapman accountant; Calvert manager.

Q.—Exhibit No. 109; and you had nothing to do with it personally?

A.—No.

Q.—On April 9th, remittance account, payment for head office, April 6th, 1923, \$3,000; have you got the vouchers for that, Exhibit No. 110. Why should that be marked remittance account? All the others are suspense account, originally charged to suspense account?

A.—Originally charged to remittance account.

Q.—All the others are originally charged to suspense?

A.—Well, remittance account is the account the same as suspense. They are both the same nature.

Q.—Is there any significance in having it in remittance account instead of suspense account?

A.—No.

Q.—Now in this Exhibit No. 110, it was authorized by Mr. Calvert?

A.—Calvert.

Q.—And by Chapman?

A.—Yes.

Q.—And you hadn't anything personally in that?

A.—No.

Q.—June 7th, 1923, charged apparently to cash, payment made for head office legals, \$2,000?

A.—That was charged direct to interest account the same as the others. We reversed afterwards.

Q.—And that is?

A.—Calvert and—

Q.—Calvert and Chapman?

A.—Yes.

Q.—Exhibit No. 111. And you had nothing to do with that?

A.—Nothing.

Q.—Then on July 13th, 1923, the last payment in the account, attached payment for head office legals, charged to remittance account, July 11th, 1923, \$2,000, covering head office payments, refers to Exhibits No. 112, and that is authorized by?

A.—Calvert and Chapman.

Q.—By Calvert and Chapman, and apparently paid the same way?

A.—Yes.

Q.—And charged up to remittance account?

A.—Yes.

Q.—Had you anything to do with that personally?

A.—Nothing, no.

Q.—In all of those payments in this account produced by Mr. Clarkson, the liquidator, and the various vouchers that I have identified as exhibits there produced by Mr. Clarkson showing that payments were made out, what were all those payments made for?

A.—They were made as commission, from my understanding of the general manager's remarks, for influencing the Province to retain with us deposits which they did.

MR. DOHERTY: Did the general manager ever make that remark to you?

A.—Yes.

MR. PRICE: Now these were all paid out for commission on moneys that the Province deposited in the Home Bank?

A.—Yes.

Q.—And paid out, all these various payments indicated in Mr. Clarkson's statements?

A.—Yes.

MR. BIGGS: Just there; have you been covering just the Province? The reason I asked, I thought I saw cheques to Richardson?

MR. PRICE: No. I did not touch the Richardson one, although occasionally the Richardson cheques are attached to the same voucher.

MR. PRICE: Well now, Mr. Whittaker, were there other occasions when you saw Hon. Peter Smith at the head office of the bank?

A.—There must have been a dozen.

Q.—Now that means that Mr. Smith was there a dozen times, for what purpose?

A.—To make these collections I would say.

Q.—Now he was there you say a dozen times, and do you recollect any other occasion when you were spoken to about these collections?

A.—I do.

Q.—Just tell us that occasion?

A.—My office was on the same floor as the general manager's immediately adjoining it. On one occasion he told me that he expected the Hon. Peter to come down to see him, and he did not want to be disturbed. He went in with Hon. Peter and closed the door to his office. He came out in about 10 minutes and asked me if Mr. Calvert had been up. I told him Mr. Calvert had not. He said I will wait here for him. He should be up any minute. Mr. Calvert came up and gave him an envelope, Mr. Calvert then went downstairs; Col. Mason walked up into his own office where the Hon. Peter Smith was then sitting.

Q.—Well, was there any conversation with Mr. Calvert when he came up?

A.—No.

Q.—Did the general manager say anything to you other than what you have said?

A.—No.

Q.—Can you fix the date of that?

A.—I cannot, of that.

Q.—Do you remember what year that was in? Was it after the July 27th 1921, payment?

A.—I cannot say.

Q.—Is there any other instance where you can throw light on these payments? You see there was \$38,000 paid out altogether by your bank to secure deposits from the Province, and you have told us the one case where you took the money up, and the other case where Mr. Calvert took the money up when Mr. Smith was there, and you have also said there were a dozen cases where he was down. Now can you throw any light on this?

A.—I think it can be produced covering the various dates.

Q.—What can be produced?

A.—A diary calendar pad showing that the Hon. Mr. Smith was to be down.

Q.—Well, where is that calendar pad?

A.—Last night I happened to find the 1923 one, and on it coincident with

two of the dates in 1923, is a memo in the general manager's handwriting, 'Hon. Peter Smith.'

Q.—Whose calendar was this?

A.—The general manager's.

Q.—Hanging in the general manager's office?

A.—A desk pad.

Q.—Well, have you produced that?

A.—Well, we just discovered it last night at 6 o'clock. It is there available.

MR. PRICE: I wonder would you send for that.

Q.—How many of these payments does the calendar cover, 1923. See, the 1923 payments were January 4th, April 9th, June 7th, July 13th?

A.—Three I think; the calendar will show.

Q.—Does it also show the Richardson payments?

MEMBER: Would not the calendar speak for itself?

MR. PRICE: Well, I am going to leave it at that.

MR. BIGGS: But I would like to ask the witness does the calendar show payments or memo of appointments?

A.—A memo of appointments.

MR. BIGGS: Well, let us get that clear. It has been brought out that the memo showed the payments. Let us get that clear.

MR. PRICE: The memo shows dates corresponding with these dates here?

A.—Yes.

Q.—Where the books of the bank show payments were made for commissions.

THE CHAIRMAN: The memo shows he was there. Did the bank show a payment?

A.—It might be a day prior that he might mark it down so it would not escape his memory.

MR. PRICE: Whatever it is anyway, we won't go into it any further. Well, did you find any calendar for 1921?

A.—We didn't look.

Q.—Now are there any other circumstances that you think would throw light on these various payments?

A.—No.

Q.—You haven't had any connection with any of the other items but what you have told us?

A.—No.

Q.—Just leaving that until we get the calendar, I see there are certain items in other exhibits.

MR. BELANGER: When the remark was made to you that Mr. Smith was in a hurry, or something like that, was not losing any time, what meaning did you infer—losing any time to get deposits, or losing any time to get commission?

A.—Losing no time to get commission.

MR. DOHERTY: Did I understand you to say you had never heard of this 15,000 cheque until 10 days ago?

A.—Yes.

Q.—You have seen the stub?

A.—Yes.

Q.—Whose handwriting is that stub in?

A.—A. J. Mockford.

MR. PRICE: Where is Mr. Mockford now?

A.—I believe he is in California.

Q.—There are several other items that I want to examine you on and then we can probably get off to the others when the diary comes. There was a loan made on May 15th, 1920, maturing 15th November, 1926, or rather Treasury Bills, \$3,000,000, and I see in the auditor's memo, in Exhibit No. 78, statement of Treasury Bills and bonds of the Home Bank with the bonds produced by Mr. Clarkson on the second page of that exhibit, I see here that there was a cheque payable to the general expense which was cashed June 18th, 1920, against endorsement of J. C. Whittaker. Can you tell us about the cheque?

A.—That money would be handed to the general manager.

Q.—Have you got an exhibit of that produced?

A.—The cheque is there.

Q.—Will you look up that cheque; that was payable to general expense and endorsed by you. The payment referred to in this Treasury Bill of May 15th 1920, is comprised in a cheque dated June 8th, for \$3,525. \$2,525 was credited to the Province in this account of June 10th, 1920, and it appears in the Province's books. The other sum, \$1,000, to make up that voucher in Exhibit No. 89 dated June 8th, and I see it was signed by Fleming, for manager of the bond department and countersigned by A. Ross. Is that the Ross that was up here the other night?

A.—Yes.

Q.—Expenses re late \$3,000,000 Ontario 6 per cent. Treasury Bills. Now can you give us your recollection of that transaction?

A.—The only recollection I could give in connection with that would be that the money would be handed to the general manager. That is a recollection.

MR. FISHER: Do you know that?

A.—Yes.

MR. DOHERTY: Well, why say recollection?

A.—Well, what is the difference between a recollection and a statement.

MR. DOHERTY: Well, a recollection is rather hazy.

MR. PRICE: Well, it was your idea that the money was handed to the general manager?

A.—Yes.

MR. FISHER: How does he know? Was he there.

MR. PRICE: Do you recollect the time of that, your name is on that?

A.—As having received the money.

Q.—Received the money?

A.—It was paid, payable to general expenses.

Q.—What did you do with the money?

A.—Handed it to Col. Mason.

Q.—Do you know anything further about that?

A.—No.

Q.—Where did you hand this to Col. Mason?

A.—In his office.

Q.—The head office of the bank?

A.—Head office.

Q.—Was there anyone present?

A.—No.

Q.—He was alone?

A.—He would be alone.

Q.—Do you recollect anything further about that transaction?

A.—No.

Q.—I see it was charged here to general expense. What would it be for if it was charged to general expense?

A.—I don't know. If Col. Mason came along as he did and handed me that cheque and said, get the cash for it. It is marked general expense. When I took it downstairs the teller would have to have a receipt for it and I would endorse it.

Q.—You see these other amounts, the amounts for commissions paid, we have gone over, it is marked to suspense account?

A.—Yes.

Q.—Charged sometimes to general expense, and to remittance account. Would that have anything to do with this particular transaction?

A.—I cannot say.

Q.—It is not included in these transactions, in the \$38,000?

A.—No.

Q.—It is an additional amount coming out of the profits or proceeds of these Treasury Bills.

MR. DOHERTY: Was \$1,000 in one deal?

A.—I don't remember. It doesn't say on the cheque.

MR. PRICE: Then referring also to the same exhibit, referring to Exhibit No. 78 on page 3, and the loan dated June 15th for 6 months, I see there that on July 15th, 1920, there is a cheque for \$2,000 which was against general expense. Later \$500 was refunded on it. That cheque put in by the liquidator as Exhibit No. 90, July 28th, general expense, \$2,000. Now that was from the same bond, and paid on July 28th, 1920, and I see that it was drawn on the bond department and countersigned by you. Now do you recollect that transaction?

A.—No, I do not.

Q.—Did you get the money for that?

A.—No.

Q.—Well, where would that general expense, when a thing is drawn to general expense in the bond department and charged up to Treasury Bill or loan, where did it go?

A.—Should go in settlement of the expense account.

Q.—What is the expense account, that is what we want to know?

A.—That would be a bond department transaction which I had no intimate inside knowledge.

Q.—Well, you signed the cheque. I wonder how you signed the cheque?

A.—Well, if the officer who is authorized to sign is there, was not there, I would have power to sign.

Q.—Who would tell you that it was necessary to sign?

A.—Col. Mason.

Q.—Would you sign it without Col. Mason's instructions?

A.—No.

Q.—Then if you signed this you must have gotten instructions from him?

A.—Yes.

Q.—Then, having got instructions from him to sign this cheque, would you also cash the cheque and give him the money?

A.—No.

Q.—Well, who would do that?

A.—I have no idea.

Q.—Who would these cheques be—you had instructions to do it, but who would make out the cheque? Whose writing is that?

A.—That is in Fleming's writing.

Q.—He was the manager of the bond department at that time?

A.—Yes.

Q.—Where is Fleming?

A.—I think he has a bond house of his own in Toronto here, started up a bond house.

Q.—The same Exhibit No. 73 on page 4, we have a record of the account in the bank on Treasury Bill dated the 5th of October, 1920, maturing 15th of April, 1921, and on November 16th, there is an item of \$1,500, cheque for \$1,500, payable to general expense, which was cashed on December 1st, 1920. Have you got that one? That refers to Exhibit No. 92, produced by Mr. Clarkson, dated November 30th, to general expense, for \$1,500, signed by Fleming, and countersigned by Ross?

A.—Yes, sir.

Q.—Do you know anything about that one?

A.—No, sir; initialled by Mr. Calvert.

Q.—Where is that initial? Oh yes, that is in lead pencil; that is his initial?

A.—Yes.

Q.—Well, would it be necessary to get Mr. Calvert's initial on a cheque of that kind. That is from the bond department. See, you did not have Mr. Calvert's initial on the other two?

A.—I have no idea why it is initialled there.

Q.—You say you apparently signed this because the general manager gave you instructions to do it, you countersigned?

A.—Yes.

Q.—Now in this case you have it countersigned by Ross. It is a bond department check, and initialled in lead pencil by Calvert, the manager of the Toronto branch. That would mean that you would have nothing to do with that?

A.—I had nothing to do with that.

MR. BELANGER: Who would hold the cheque after you signed it?

A.—Mr. Fleming.

MR. PRICE: It was signed by Mr. Fleming.

MR. LEWIS: This last cheque you are speaking of was not countersigned by him?

MEMBER: No.

MR. LEWIS: Countersigned by Ross?

A.—Yes.

MR. PRICE: No, it was issued by the bond department of the bank and Fleming was manager of the bond department. He signed it. That started it off. It ties it up to the bond sale in the bank, and this was the particular bond sale, Treasury Bills we referred to. But when it comes to having it countersigned where Mr. Whittaker countersigned before, Mr. Ross signs it this time.

MR. LEWIS: But since this one—

MR. PRICE: But in this case it has Mr. Calvert's initial as well, apparently Whittaker getting instructions from the general manager before he had power to do it with Mr. Calvert's initial.

Now in the same Exhibit No. 73, 5th page, we have Province of Ontario, 6 per cent. bonds, due—in that connection, item February 16th, 1921, of \$4,937.33, was credited to J. Cooper Mason current account, the ledger shows \$5,000, par

value of 1941 Ontario bonds were purchased from J. Cooper Mason this date. Can you explain that item?

A.—No.

Q.—Know nothing about it?

A.—Know nothing of it.

Q.—That would be about the time those 20 year bonds were issued, 20 year bonds of the Province due 1941, February 1st, 1941, and there was apparently \$5,000 of those bonds sold and the credit going to Col. Mason's account. Would you just look at that and verify that and see if it is credited? Is that correct?

A.—Yes.

Q.—I just want to go back afterwards. Referring to the time in this commission account where you went down to see Chapman to get the \$2,500 in legals, you went down to get the \$2,500 in legals, July 27th, 1921, from Chapman, the accountant of the Toronto branch of your bank; did he seem surprised that you were—

A.—He was expecting me.

Q.—Well, did it surprise you that he was expecting you?

A.—No.

Q.—Well, did you both know about it, this was going on?

A.—Well, he knew about this particular item.

Q.—About this particular item?

A.—Yes, what further ones I don't know.

Q.—And you asked him how it was being done?

A.—How it was being done.

Q.—What was it he said?

A.—He said we are charging them up to debit interest account.

Q.—Now will you explain to the Committee just what that means, debit interest account?

A.—Well, it is an account that is kept to show how much money we pay on deposits, when an account is closed out and the customer is paid his interest, the interest is charged up to that account, the end of each half year that account is wiped off into profit and loss.

Q.—Is that an account of the Toronto branch or the head office?

A.—Account of the Toronto branch.

Q.—That is a transaction?

A.—Entirely of the Toronto branch.

Q.—What does it mean that it is wiped off into profit and loss?

A.—Closed.

Q.—The account is closed off at the end of the year?

A.—End of the half year and year.

Q.—Were all these payments handled in that way?

A.—All that I know of.

Q.—Then in making these commission payments on instructions of the general manager, amounting to \$38,000 on Province's deposits were all charged through expense account?

A.—In Toronto office.

Q.—In Toronto office?

A.—Yes.

Q.—And the account closed every six months?

A.—Yes.

Q.—I think that is all I want to ask.

MR. LEWIS: This one particular amount in July was the only one you had personally anything to do with?

A.—Well, there are two items in that bond department, one of the cheques I had signed on the instructions of the general manager.

Q.—But I am not referring to the bond transactions but these commissions?

A.—That is the only one I directly—

Q.—That you had anything personal to do with?

A.—Yes.

Q.—Did you have a general knowledge that such payments were being made?

A.—I did.

Q.—Before this?

A.—Yes.

Q.—Would you say that there was a general knowledge amongst the employees in the bank, in the head office of the bank, to that effect?

A.—I believe so.

Q.—What was your position?

A.—General supervisor.

Q.—You were close to the general manager?

A.—Yes.

Q.—And amongst the officials of the bank who were in similar capacities you say there was a general knowledge, a general idea?

A.—I do.

Q.—That such commissions were being paid?

A.—Yes.

Q.—Would you say that there was a general idea that they were paid to some particular individual?

A.—I cannot go so far as to say that.

Q.—Would you say there was a general idea that they were being paid to someone in the Government's service or in connection with the Government?

A.—No.

Q.—There was a general idea that these commissions were being paid?

A.—Yes.

Q.—For Province of Ontario account?

A.—For Province of Ontario account.

Q.—And in your mind was there any connection between the visits of the Provincial Treasurer and these amounts? Would you say that? Did you connect them in your own mind? I am speaking of your own mental impression at that time as an employee of the bank. What do you say in regard to that?

A.—A person's mind changes.

Q.—Quite!

THE CHAIRMAN: I suppose strictly, his vague impressions are not evidence.

MR. LEWIS: I am just trying to find out if there was—

MR. FISHER: How long were you with the Home Bank?

A.—From 1906 when it started.

Q.—Up to when?

A.—Up to the collapse. I was with the Home Savings four years before that.

Q.—Home Savings before that? What were you doing in the Home Savings?

- A.—Well, I was 16 when I went there, so I was junior.
Q.—And what were you doing at the bank?
A.—General Supervisor.
Q.—What were your duties?
A.—I was specially delegated to look after three tie-ups.
Q.—What?
A.—Three large accounts which were tie-ups.
Q.—What do you mean by general supervisor?
A.—Well, from December I had no internal connection with the bank,
inside.
Q.—December when?
A.—1922.
Q.—What were you doing in 1921?
A.—Ordinary bank routine.
Q.—In what capacity?
A.—As supervisor.
Q.—What was your duty?
A.—I was supervisor.
Q.—Well, what is the duty of a supervisor?
A.—There is a hundred.
Q.—Well, tell us some of them?
A.—Applications for credit up to a certain amount, dealing with them;
correspondence with branches.
Q.—Yes. Whom did you get instructions from?
A.—On all important matters from general manager.
Q.—Mr. Mason?
A.—Mr. Mason.
Q.—Where was your office with relation to Mr. Mason's?
A.—Immediately adjoining, both of them offices on King Street, mine was
he east, and his the centre.
Q.—So you were very close to him anyway, in proximity and in other ways?
A.—Proximity, yes; business, yes.
Q.—Is there anybody superior to you except Mr. Mason?
A.—No.
Q.—You were next in command, were you?
A.—Yes.
Q.—What are you doing now?
A.—Helping to untangle the mess that is down there.
Q.—You have been employed by whom?
A.—By the liquidator.
Q.—Since he went on the job?
A.—Yes.
Q.—When did you first have an idea that money was being paid to influence
omebody to get deposits from the Government?
A.—I cannot say.
Q.—When were the deposits first got?
A.—These are Toronto office matters. These are Toronto office.
Q.—I know, but you are supervisor at the bank?
A.—Yes.
Q.—When were the deposits first got?

A.—I would have to look up the books to find out. We had 75 branches, naturally I couldn't go into each branch and look where the deposits were.

Q.—How long would it take you to find out when you first got deposits from the Provincial Government?

A.—The Department here will give the information.

MR. PRICE: There have been deposits there for 15 years?

A.—Years.

Q.—What is your first personal knowledge of deposits?

A.—In 1906 I think we had the Province of Ontario account?

Q.—And in 1915?

A.—Yes.

Q.—How much?

A.—I cannot say.

Q.—Any idea?

A.—No, I was not in the Toronto office in 1915.

Q.—Oh, when did you come to Toronto office?

A.—1906.

Q.—Did you go away again?

A.—No, I was moved away to head office.

Q.—I asked you 1915?

A.—Head office.

Q.—Do you know whether you had any deposits in 1915?

A.—Yes.

Q.—How much, approximately?

A.—I don't know.

Q.—Any idea?

A.—No.

Q.—How much in 1920?

A.—I don't know. The information is on file, it can be available.

Q.—You don't know?

A.—No.

Q.—Was there any change in the amount of the deposits at any particular time?

A.—It fluctuates.

Q.—Over how long a period?

A.—Over the period that we had the account, the whole period.

Q.—Any special change at any particular time?

A.—Not that I am aware of particularly.

Q.—You didn't have, as far as you know, any more deposits in 1920 than you had in 1915?

A.—I cannot say that offhand.

Q.—Well, did you investigate it to find out?

A.—No.

Q.—Somebody apparently was to be paid for getting deposits. Who told you that?

A.—The general manager.

Q.—Anybody else?

A.—There was nobody else to tell me.

Q.—Nobody else told you. Nobody else could know?

A.—No.

Q.—Well now, what deposits were these moneys to be paid?

A.—Presumably the current account deposit balance.

Q.—If there was no change in the amount of the deposits why should anybody be paid especially?

A.—I cannot answer that.

Q.—Well, was there any reason why somebody should be paid?

A.—The general manager thought sufficiently so, and gave the instructions.

Q.—Do you know of any reason why anybody connected with the Government should be paid in 1921 in connection with deposits?

A.—Unless he were to take the deposit away or intimate it would be.

Q.—Well, he had not increased the deposits as far as you know?

A.—The account will show that.

Q.—Well, do you know?

A.—No.

Q.—Was it a common thing to pay people for getting deposits for you?

A.—Oh it had been done on several other occasions.

Q.—Several other occasions, to whom?

A.—Nothing to do with the Province of Ontario.

Q.—Well, with what did it have to do?

A.—Ordinary commercial business.

Q.—What sort of people did you pay?

A.—Well, we paid a travelling representative.

Q.—What?

A.—A travelling representative.

Q.—Of what?

A.—An outside member of our staff.

Q.—Member of your own staff?

A.—Yes.

Q.—For getting business?

A.—Yes.

Q.—On a commission basis?

A.—He was paid on a commission basis.

Q.—Who else did you pay?

A.—Oh there were several other accounts that got additional interest over the three per cent.

Q.—Well, who got the additional interest?

A.—The concerns themselves.

Q.—Well, that was not paying anybody for getting business, was it?

A.—Paying them more than they would get presumably from the other banks.

Q.—Well did you pay anybody outside the people who gave you the deposits?

A.—Not that I know of.

Q.—This is the only case that you know of where somebody outside was paid money for making deposits?

A.—Well, there is the City of Toronto.

Q.—Yes?

A.—That enters into the transaction.

Q.—Somebody was paid there?

A.—I would not say that somebody was paid in connection with it.

Q.—When did you know about that?

A.—Latterly, in the last few years, I would say.

Q.—How far back would that go?

A.—Two years.

Q.—Nineteen twenty what?

A.—1 and 2.

Q.—Any further back than that?

A.—It would not to my knowledge.

Q.—So in 1921, so far as you know, nobody was being paid except in connection with the Government account?

A.—I have just told you there were other payments.

Q.—No you haven't?

A.—Why the evidence here shows Richardson was paid.

Q.—Wasn't that City of Toronto?

A.—Yes.

Q.—And that goes back to 1922?

A.—1921; it may be 1922.

Q.—You said 1922 yourself?

A.—I said 1921 first.

Q.—These are the only two people then?

A.—Those are the only two special items of any special large amount.

Q.—Did Mr. Mason tell you about Richardson getting money?

A.—Yes, it is showed always directly in his case, he signed for it.

Q.—It was open and above board?

A.—Open and above board.

Q.—Did Mr. Mason get the money in connection with the City of Toronto?

A.—Personally, I don't believe he did.

MR. RANKIN: Have we anything to do with outside Toronto business?
I don't think we should deal with anything except what is before the Committee.

MR. FISHER: Who else beside yourself knew somebody was being paid?

A.—How do I know?

Q.—Do you know?

A.—I don't know conclusively that anybody else did know.

Q.—Well, somebody gave you some money?

A.—Yes.

Q.—Who was that?

A.—The teller.

Q.—Would he know?

A.—He would not know what it was for. He might; all he would know was I received the money.

Q.—You cannot say he knew?

A.—No.

Q.—Did anybody else in the bank know somebody else was to be paid money?

A.—I believe it was the impression.

Q.—Well, who knew?

A.—I cannot say.

Q.—These people who were making these cheques out know?

A.—Naturally.

Q.—Naturally, then, so they did know?

A.—Yes

Q.—How do you know that?

A.—Just from this signing this slip.

Q.—Just made a cheque out for some money! How do you know they did or did not know what was to become of that money?

A.—Well, I don't imagine anybody would pay out \$4,000 without knowing where it went.

Q.—And where did it all go?

A.—I don't know where the ones went that I had no connection with.

Q.—They all went to Mr. Mason, didn't they?

A.—The one I had to do with went to him.

Q.—And every other cheque as far as we know went to Mr. Mason?

A.—On one occasion I saw another envelope handed to Mr. Mason.

Q.—Yes, and the proceeds of these cheques, did they not all go to Mr. Mason?

A.—I cannot say as to that; I had nothing to do with them.

THE CHAIRMAN: You mean debit slips.

MR. FISHER: The proceeds, I mean, did they go to Mr. Mason or somebody else?

A.—The ones that were not paid to Richardson. I don't know where they went except the two I actually handed to him.

Q.—You don't know where they went?

A.—No.

Q.—This \$15,000 cheque has been spoken about. When did you hear about it first?

A.—I think it was ten days ago.

Q.—You never heard that before?

A.—No.

Q.—Did anybody in the bank know as far as you know?

A.—The man who wrote the cheque out would.

Q.—Where is he?

A.—The bond department through whom it went should know.

Q.—The man who wrote the cheque was Mockridge?

A.—Yes.

Q.—Where is he?

A.—I believe he is in California.

Q.—How many others are in California in the bank?

A.—I don't know.

Q.—Do you know any others?

A.—No.

Q.—There are some others apparently missing. Do you know anything about this overdraft of Mr. Mason's that was referred to the other day?

A.—I don't know which overdraft you are speaking about.

Q.—I was not here but I saw there was some overdraft of \$60,000 or something he had, was it a stock transaction? Do you know anything about it?

A.—No.

Q.—You don't know?

A.—No.

Q.—Did Mr. Mason owe the bank money during the time you were there?

A.—Yes.

Q.—For what?

A.—I had no connection with Mr. Mason's personal business.

Q.—I know, but we would like to know?

A.—I don't know what he would owe the bank money for.

Q.—How much did he owe the bank?

A.—I don't know.

Q.—Was he investing in stock?

A.—I don't know.

Q.—You swear you don't know that?

A.—I will swear I don't know that.

Q.—There was no general information?

A.—No.

Q.—How much did he owe the bank?

A.—I don't know.

Q.—Can you give us any idea at all?

A.—No, I cannot. His accounts will show.

Q.—Have you got any information as to money being paid to somebody else except what you got for Mason?

A.—No.

Q.—This amount that was paid out, was it supposed to be one per cent. do you know that?

A.—No, I don't know as to that.

Q.—Did you ever figure to see whether it was one per cent.?

A.—No.

Q.—Therefore you don't know whether it was as a matter of fact?

A.—No.

MR. DOHERTY: You have been supervisor since when?

A.—1917.

Q.—That position will give you a general supervision of the bank business would it?

A.—Yes.

Q.—Both in the Toronto office?

A.—Not in the Toronto.

Q.—Well, would not the Toronto office come under your supervision as well as—

A.—No.

Q.—Well, under whose supervision would the Toronto office transaction come?

A.—The general manager.

Q.—Directly under the general manager?

A.—Yes.

Q.—The branch business would come under you?

A.—Yes.

Q.—Then what knowledge have you of the deposits of the Province of Ontario made here—the Province's deposits I gather would all be made practically in the Toronto office?

A.—The Toronto office.

Q.—What knowledge have you of these deposits?

A.—Well, I would have the sheets from Toronto showing the totals. Or would come up every day.

Q.—So really the Toronto office business would?

A.—In that particular record.

Q.—Come under your supervision—

THE CHAIRMAN: You mean the total deposits?

A.—Total deposits.

Q.—Of the head office?

A.—And of the Province as well.

Q.—Itemized! Then you would have some general knowledge?

A.—General.

Q.—Of the Province's deposits with the bank?

A.—Yes.

Q.—Can you now say how far back you remember the deposits of the Province? Did I understand you to say?

A.—I cannot remember in amount.

Q.—The Province has had deposits practically continuously since 1906 and 1907?

A.—Yes.

Q.—Somewhere there—1915.

A.—I think we had an account in 1906.

MR. PRICE: That was the year the bank opened.

MR. DOHERTY: Yes. So ever since the bank opened. Then when is your first knowledge of any commission being paid to any person for Provincial deposits?

A.—I would say just prior to the incident that I related of giving the money to Mr. Mason.

Q.—That would be in 1921?

A.—Yes.

Q.—That is the first intimation you had. You also said Mr. Smith was a frequent visitor to the bank?

A.—Yes.

Q.—Can you recollect when you first saw Mr. Smith in the bank, what year?

A.—Shortly after he took over the duties here, I would say within two or three months.

Q.—Within two or three months, the end of 1919?

A.—Yes.

Q.—In the early months then of 1920; then following that first deposit at what intervals would you say you saw him, or had knowledge of his visits to the bank subsequent to that?

A.—Oh they were very irregular, becoming more regular as the sheet shows.

Q.—Well, the sheet here doesn't show any deposit at all? Oh, the diary! In the year 1920 then how many times—can you state about how many times Mr. Smith would visit the bank in 1920?

A.—I cannot state.

Q.—Four or five, half a dozen times?

A.—It might be.

Q.—That would be 1920. Then in 1921, do you remember Mr. Smith visiting the bank?

A.—Yes.

Q.—So that Mr. Smith, from your own evidence, visited the bank a great many times prior to July, 1921?

A.—Not a great many, not as many as he came in 1921. He was quite a frequent visitor after 1921.

Q.—When was the first payment made by the Home Bank by way of commissions for Province's business?

A.—To my knowledge it would be April 5th, 1921.

Q.—That is prior to this July one?

A.—Yes.

Q.—Well, you say April 15th?

A.—April 5th.

Q.—What knowledge have you in that connection?

A.—A comment that would be made by Mr. Mason that he expected the Treasurer down.

Q.—Oh, you remember Mr. Mason making that statement to you?

A.—Yes.

Q.—That he expected the Treasurer down?

A.—Yes.

Q.—And you saw the Treasurer?

A.—Yes.

Q.—He was there then in April?

A.—Yes.

Q.—And then again in July 29th?

A.—Yes.

Q.—Now the part that just seems a little peculiar to me, you say you had no knowledge of any commissions being paid for Province's business prior to April, 1921?

A.—Right.

Q.—The bank had always been getting the Province's deposits since it opened even?

A.—Yes.

Q.—It had never paid commissions?

A.—Not to my knowledge.

Q.—Not to your knowledge?

A.—No.

Q.—And you would naturally wonder why the bank having deposits would pay commission for getting the business that they already were regularly getting?

A.—Yes.

Q.—You said you cannot tell the Committee as to whether deposits were greater subsequent to 1919 than they were before that, you cannot say that?

A.—No.

Q.—But I am saying, and you can verify it, that the deposits after 1919 were on the average less than they were before?

A.—Were they?

Q.—That is the part that I cannot just jibe, why the bank would be paying commissions for deposits and getting less deposits. Is there any explanation?

A.—No, except that it would be better to pay that commission in the bank judgment than to lose the deposit altogether.

Q.—Have you any knowledge?

A.—No, no knowledge.

MR. FISHER: Have we got any statement of the deposits from time to time?

MR. PRICE: The Public Accounts show that.

THE CHAIRMAN: The Public Accounts, and Mr. Clarkson was here the other night.

MR. DOHERTY: You have no knowledge of any one of these payments outside of this one in July 27th, that you handed to Mr. Mason?

A.—That one and one other one, which I cannot point out the date.

Q.—What were the particulars in the other one?

A.—The other one was on the occasion when Mr. Calvert came into my office and handed the general manager an envelope.

Q.—In your office?

A.—He came out of his own office into mine.

Q.—You don't know what was in the envelope.

A.—No.

Q.—Envelopes of papers are frequently passed through the bank?

A.—Yes.

Q.—You have no knowledge?

A.—No.

THE CHAIRMAN: What kind of envelope?

A.—Foolscap size.

Q.—Ordinary large sized bank envelope?

A.—Yes.

Q.—Bulky?

A.—No.

Q.—Just hand him the envelope?

A.—I didn't hand him the envelope.

Q.—You saw it passed to him?

A.—Yes.

Q.—Well, why should you surmise?

A.—Because the Hon. Peter Smith was in the next room and the general manager told me he was coming down and because there was a payment due that day.

Q.—To whom?

A.—I cannot say; I don't know.

Q.—How do you know there was a payment due?

A.—Because the general manager told me.

Q.—Then I understand from you, you don't know anything about it except that Mr. Calvert walked into your office and handed Mr. Mason this envelope?

A.—I said I could not pick out the exact date.

MR. DOHERTY: Did the general manager say to you, "What is keeping Mr. Calvert with the money?"

A.—He said, "What is keeping Calvert?"

Q.—How would he expect him?

A.—He asked me first of all if Calvert had been up.

MR. BIGGS: I would like to ask the witness. We find now that the papers print it. It is very little use with the witness. The paper has it all. We have the paper here. It will be very little good of having any more examination.

MR. PRICE: Oh, the paper will have a lot more things before we get through. They will get it from this Committee.

THE CHAIRMAN: What are you complaining of, Mr. Biggs?

MR. BIGGS: I am not complaining at all, did you think so?

MR. BIGGS: In your evidence this morning, in the first case of the envelope you said that you had handed it—Mr. Mason sent you down, you brought up the envelope and you handed it to Mason?

A.—In Mr. Smith's presence.

Q.—And in the second case, Mr. Whittaker—Mr. Calvert, I should say—

A.—Mr. Calvert.

Q.—And it was handed to Mr. Mason?

A.—Yes.

Q.—You have no intimation of what Mr. Mason did with the envelope?

A.—Not the slightest.

Q.—No intimate knowledge of what was done with the envelope after it was handed to Mr. Mason?

A.—No.

Q.—In either case?

A.—In either case.

Q.—Did Calvert know about this arrangement with the bank?

A.—I presume he must have, because he initialled all the slips, except—

Q.—Is Mr. Calvert in the country?

A.—Of course.

MR. BELANGER: The liquidator said the other night that he had been told by officials of the bank that the commission was taking the form of one per cent. increased interest, to be paid to the Province. Did you tell that to Mr. Clarkson?

A.—No.

Q.—Did you hear that from any officials of the bank?

A.—I have heard it.

Q.—From whom?

A.—From Mr. Calvert.

Q.—You did not hear that from the general manager?

A.—No.

Q.—What you heard from the general manager would lead you to suppose it was straight commission to get that business from the Province?

A.—Yes.

Q.—To preserve a deposit that was already there?

A.—Yes.

MR. McKEOWN: You said that the envelope that you got and handed to the general manager had in it \$2,500, that you were sent down?

A.—Yes.

Q.—Was the envelope that Mr. Calvert handed to the general manager, to which you have referred of a similar nature to the one that you got?

A.—Yes.

Q.—Same kind of envelope?

A.—Yes.

Q.—You of course couldn't see the inside of it?

A.—No.

MR. PRICE: You produce the diary, loose leaf diary of the late general manager of the Home Bank for what year?

A.—1923.

Q.—Does it throw any light on these various transactions which show payment of commissions for Government deposits?

A.—I cannot answer that; to my mind it doesn't.

Q.—What does it show?

A.—It shows the Hon. Peter Smith's name here on April 4th.

Q.—The first one is January 4th, 1923. Does it show anything in that one?

A.—Have you the voucher for that.

Q.—You have that; the 5th of January, 1923, on the memo under that date?

A.—Hon. P. Smith, 3.15.

Q.—3.15 is the time of the appointment. Right above it there is 3 p.m.

and above all there are several other appointments, and on the same day—whose handwriting?

A.—Col. Mason's.

Q.—And on the same date there is also a notation, "See Mr. F. H. Richardson?"

A.—Yes.

Q.—So they apparently were running together pretty close?

A.—On the pad.

Q.—On the pad anyway. Now there is a payment made on April 4th to F. H. Richardson by cheque; April 9th is the date of it but the actual payment is down as made on the 3rd, to Mr. Richardson, of a thousand dollars and the actual payment is down as made for Provincial deposits of April 6th \$3,000. Will you show us those vouchers again for that?

A.—Richardson's was dated 3rd, paid on the 5th.

MR. DOHERTY: How much?

A.—\$1,000.

MR. PRICE: Richardson's was dated 3rd and paid on the 5th. What is that exhibit?

A.—110.

Q.—Now the diary shows on the 5th, "See Mr. F. H. Richardson" on the very day that the cheque was paid?

A.—That is January.

Q.—That is January, yes. Well then, on January 4th, 1923, there is a payment of \$1,800. Now when was that; that is a reversal and the payment was made on what date?

A.—On December 20.

Q.—Well, how do you explain that?

A.—It was debited to suspense account on the 20th of December, then taken out of there and put into debit interest account.

Q.—Actually what happened was this: that on December 20th it was paid into suspense account?

A.—Charged to suspense account.

Q.—Charged to suspense account \$1,800; it was actually paid out of suspense account on what day?

A.—Paid out suspense account on December 20th, paid back to suspense account on the 4th of January.

Q.—That is the item \$1,800, and on the 5th there are these notations, "See Mr. F. H. Richardson," and below, "Hon. Peter Smith, 3.15." Now what is the next. Just leave this for a minute so members can examine. The next one is what date?

A.—April 6th.

Q.—In the diary produced of the late general manager, Mr. Mason, under Monday the 9th of April, what entry do you find at the top of the memo pad?

A.—Hon. Peter Smith.

Q.—What is that after?

A.—It is re K.M. or P.M.

Q.—Well, would it be P.M.?

A.—No, it doesn't refer to time.

Q.—It is right at the top of the pad. Do you know? That looks like a K.M., or what is it?

A.—It may have been put there for P.M. I don't know what it is, whether it is a K or a P.

Q.—Well, what other entries are there for that day there? Then on the 7th, on the memo pad, what entry is there?

A.—Hon. P. Smith.

Q.—What is that?

A.—I don't know.

Q.—Is it E?

A.—It looks like E. X. or E. E.

Q.—What would that be?

A.—I have no idea

Q.—It looks to me like E. X. Would it be expense account?

A.—I don't think that is E. X.

Q.—What does it look like?

A.—It looks like two capital E's.

Q.—It has been marked over. Do you notice that? Something there and marked over?

A.—Yes.

Q.—What is that under it, has it anything to do with it? 50,000?

A.—I don't know.

Q.—What is that item under it?

A.—Well, there is 50,000 plain enough, and and it looks like S.T.

Q.—It looks like another. Are there any other items on the 5th of April on the memo pad. What do you find?

A.—Well, amongst the names there is Hon. P. Smith.

Q.—So that we have on the 5th of April, Hon. P. Smith; and on the 7th of April, Hon. P. Smith, with a notation after it; and on the 9th of April, Hon. P. Smith, and E. E. right under it?

A.—Yes.

Q.—Well, what would E. E. be?

MEMBER: What is the initial of Mr. Calvert?

MR. PRICE: A. These items on the 5th, and the 7th and the 9th, in whose handwriting are they?

A.—Col. Mason's writing.

Q.—You know that?

A.—Yes.

Q.—Let us see what there is, what was paid out in commissions about that time. There is an item here April 9th, the date of the voucher April 9th, cheque attached, F. H. Richardson, he made a payment April 5th, \$1,000.

MR. DOHERTY: And cheque was April 3rd.

MR. PRICE: April 3rd, and the payment was April 5th; that is to Richardson, for \$1,000. And it is the same as in the diary.

MR. DOHERTY: Was Richardson in the diary more than this once?

MR. PRICE: Several times here.

MR. DOHERTY: Before this date?

MR. PRICE: A day before or two days before. I will look in a minute.

Q.—On April 9th, there was a payment of \$3,000. It was dated April 9th in the books and paid on April 6th, 1923. And the diary shows Hon. Peter Smith on the 5th. And Hon. Peter Smith on the 7th and on the 9th.

MR. DOHERTY: And it was paid on the 6th?

MR. PRICE: Is that right?

A.—6th.

THE CHAIRMAN: That means money was obtained from the teller that day?

A.—Yes.

Q.—That is, there was a debit slip?

MR. PRICE: April 6th.

Q.—In the Richardson case there was the cheque. In this case there was a debit slip, April 6th, \$3,000. And the diary shows he was there on the 5th, 7th and 9th.

Now have you another item, have you a June item in the diary, of June 7th or thereabouts?

A.—No, he was home ill.

Q.—Now who was acting general manager?

A.—Mr. Calvert.

Q.—Let us look up these vouchers and just see if these are the ones?

A.—Nothing here.

Q.—Then you haven't June 7th or July 17th?

A.—No.

Q.—These payments must have been made out through the instructions of the acting general manager. Who was the acting general manager?

A.—Mr. Calvert.

Q.—Are these initialled? Exhibit No. 112, initialled by Mr. Calvert?

A.—And Chapman.

Q.—Calvert and Chapman. Have you looked through the diary produced to show if there were any visits made by Mr. Smith?

A.—Casually looking through there were a number.

MR. DOHERTY: You said here before you thought there were three days that coincided with the dates of payment.

MR. PRICE: Yes, there are two dates.

MR. DOHERTY: That payment was made on the 6th and he was there on the 7th and 9th.

THE CHAIRMAN: That is the payment was made out of the bank.

MR. PRICE: Would you run down them and see if there were any other times that Mr. Smith was in the bank according to the diary. Mr. Whittaker, would you just clear up the point, had Mr. Smith any account with the Home Bank?

A.—Never to my knowledge.

Q.—In the Toronto branch?

A.—No.

Q.—In any branch of the Home Bank?

A.—Not that I know of.

MR. MCCREA: Have you looked through the diary to see how many times—diary marked Exhibit No. 116—have you looked to ascertain how many times you find in 1923 that the Hon. Peter Smith appears on the list?

A.—Yes.

Q.—He was there on Friday, 5th of January?

A.—The name appears on the 5th of January.

Q.—Then again on the?

A.—19th of March, 21st of March, 26th of March, 27th of March, April 1st, April 5th, April 7th, April 9th, April 17th, April 20th.

Q.—That is all. What month did Mr. Mason leave the bank?

A.—Towards the end of April.

Q.—And after that time there were no more notes in Mr. Mason's hand writing?

A.—No, not in his handwriting, end of April.

Q.—And the rest of the diary after is in somebody else's?

A.—Mr. Calvert.

Q.—From your own knowledge of Mr. Mason's habits you would not say that these dates Mr. Smith was expected or were the entries made on these dates?

A.—Well, the entries might be made a day previous, for in several cases, in numerous instances, the time is made.

Q.—You would say he was expected on these dates by the general manager?

A.—Yes.

MR. FISHER: Do you know anything about this except what anybody knows looking at it?

A.—That is all.

Q.—You would not know anything about it at the time?

A.—No, but I knew that he would put down appointments that he intended or had made for meeting people.

Q.—Would he also put down business that he had to attend to?

A.—Well, most of the appointments he would have to make would be of business nature.

Q.—What is that entry?

A.—Porcelain products.

Q.—Well, that would not be an appointment with Porcelain Products?

A.—Porcelain Products was an account.

Q.—What would that mean?

A.—Mr. Calvert, re Porcelain Products, Ogilvie, the two of them.

Q.—What do you say that means?

Q.—That it was a reminder for him to take up with Mr. Calvert the question of Porcelain Products and Ogilvie.

Q.—There was some business to be attended to?

A.—Yes.

Q.—I rather gathered when you were answering the Minister that you said that when you saw an entry there, Peter Smith, that you took that to mean he had been there on that day?

A.—No, I would not give that impression.

Q.—That would not be what anybody would expect; it might mean that he was coming?

A.—It might mean.

Q.—Or it might mean he had some business he wanted to discuss with someone? I was saying that when you saw an entry, Peter Smith, there would not mean that he had been there on that day?

A.—Oh, I cannot say as—

Q.—Well you would not expect the general manager to keep a record of the people who had been there; that would not be of value in the diary?

A.—I would naturally expect him to put down the day previous whom he must see the succeeding day.

Q.—It was a memo of something to do or look after or somebody who was to come?

A.—Yes.

Q.—And Hon. Peter Smith might mean he had an appointment with him?

A.—Quite naturally.

MR. DOHERTY: Or telephone?

A.—Or telephone him.

Q.—Or something to do with him?

A.—Yes.

MR. GRAVES: You were the principal character in one particular transaction—you understand what I mean, there is one particular transaction—

A.—Yes.

Q.—The only reason you were the principal character as I understand it is from the fact that Mr. Calvert was away?

A.—He was absent from the office.

Q.—And the general manner in which the transactions, in which Mr. Calvert's took place, and in which yours took place—now understand me—the general procedure through the bank, were absolutely the same?

A.—Yes.

MR. PRICE: Next day we will try and have Mr. Calvert and Mr. Chapman here so as to clean up these things. We have Mr. Harris here to-day of Provincial Securities and Browning, Harris. He has brought a lot of books here which will have to be gone into. I was thinking that I might if you cared to put him in the box, and ask him if he has got any more information than he had the other day; we could then adjourn and allow these books to be gone into by an auditor or Mr. Clarkson or someone who can give us some information about the payments. I think it would simplify matters.

MEMBER: Yes.

MR. PRICE: If that is satisfactory. I don't want to stop the examination, in fact I want to go on, but I would ask Mr. Douglas to get into the box in order that I can prove the Browning, Harris transactions?

Mr. Douglas recalled; already sworn; examined by Hon. Mr. Price.

Q.—Some little time ago I asked you to prepare a statement as the accountant or chief clerk, a statement of the Treasury showing the transactions of Browning, Harris & Co. Have you prepared that statement?

A.—Yes, sir.

Q.—Will you produce it?

A.—This is the statement; these are copies.

Q.—Mr. Douglas produces a statement marked as Exhibit No. 117 which shows transactions of Browning, Harris & Co., from August, 1920, 1921 until August 3rd, 1923. This statement is the same, figured out in the same way, as the Provincial Securities statement?

A.—The same way, sir.

Q.—Showing the date of the actual settlement in the Department, the Treasury voucher number, the value of the stock, description of it, the price, the rate of exchange paid by the Province, the price in Toronto at par of exchange, the nominal London quotation, and the current rate of exchange at that time, the market price in Toronto at par of exchange and the price the Province paid over the actual market price at that time, and according to the figures comparing it with the prices prevailing on the London stock exchange, what was the profit, and what was the loss made by the Province?

A.—On the inscribed stock, is \$87,429.17.

Q.—On sales by Browning, Harris & Co., to the Province of 222,396 pounds and a fraction?

A.—Yes, sir.

Q.—That would be transactions of about a million dollars?

A.—Excuse me, \$1,082,331.05.

Q.—On inscribed stock?

A.—On inscribed stock.

Q.—And what were the transactions on Canadian stock, Ontario stock registered here?

A.—\$564,700, Canadian stock.

Q.—What did those total sales to the Province amount to, in par value?

A.—Well, they haven't been carried out. We have the prices here.

Q.—It runs what, \$1,082,331.05 below \$564,700?

A.—Yes.

Q.—\$1,640,000. That is correct?

A.—Yes.

Q.—Approximately.

Q.—Have you, Mr. Douglas, gone into all the vouchers and checked this carefully?

A.—Yes, sir.

Q.—You are prepared to say this statement is correct?

A.—Yes, we have the vouchers here.

Q.—I think probably you better produce the vouchers and we can have them for the Committee. There is a file produced of all the vouchers. Honorable gentlemen will see, as the vouchers produced in the Provincial Security loan.

MR. CURRIE: Corresponding with the loan.

MR. PRICE: Same as shown on No. 117; all the vouchers are produced covered in the statement made by you, Mr. Douglas?

A.—Yes, sir, and the cheques.

Q.—The vouchers and the cheques are all in. When these cheques come into the Department, Mr. Chairman, they don't go in with the vouchers and over a number of years when it gets back, well then you have to go away down into the files of the Department and take out these cheques. They are with other cheques; it has taken a long time for the Department to get all these and put them with the vouchers.

MR. CURRIE: Why not the system of attaching the voucher and the cheque.

MR. PRICE: They should be; they were trying to have that arranged, but it has never been the policy in the Department. You have to rearrange your whole files.

MR. BELANGER: May I ask whether you got a list of the prevailing prices on the London market?

A.—We got those from publication in London called Canada and from the London Times.

Q.—Did you produce this as justification of your figures on that statement?

MR. PRICE: These are produced and we have them from the Bank of Montreal. These are produced also in connection with this.

THE CHAIRMAN: The Bank of Montreal covers that.

MR. PRICE: They cover the whole three years, Mr. Belanger, and it is an easy matter to check them up.

MR. CURRIE: That is actually purchased by the Bank of Montreal covering that period.

A.—No, nominal quotations.

MR. DOHERTY: But you don't mean of course to swear, you would not swear that any block could be bought at these prices you put down there?

A.—These are the nominal quotations.

MR. DOHERTY: But no financial man would take it for granted, you don't want to give the impression that you could buy in a block of stock with that quotation?

MR. PRICE: Well, he doesn't know.

MR. CURRIE: Those quotations are London Stock Exchange quotations?

A.—Yes, sir.

MR. CURRIE: They are admissible in a court.

MR. FISHER: In connection with this Harris business, I only know what you are trying to get at by what you do arrive at. But I understand that in that case the object of the Committee is to make this man account for the money he received, for his profits. You have suggested that Mr. Clarkson or somebody else go into this account. Why would it not be possible to have Mr. Clarkson go into it with Mr. Harris, if Mr. Harris is willing, and eliminate a lot of work that is unnecessary here, I think?

MR. CHAIRMAN: That is what the proposal was.

MR. FISHER: I didn't know you proposed to go into that with Harris. Why not have him sit down with Harris. That is what we want him to do.

MR. CURRIE: You are going to have Harris on the stand later on?

MR. PRICE: Oh, yes.

MR. PRICE: I think we better call Mr. Harris to produce his books and honourable members can ask him any questions they like. I want to point out that Mr. Doherty saying that these quotations were only nominal quotations is not correct, because in a great many cases we have the actual prices paid by the Bank of Montreal when they bought for our sinking fund, and we used them in the computation.

MR. DOHERTY: Small blocks?

A.—Well, 60,000 pounds a year, \$300,000.

MR. DOHERTY: For a whole year.

MR. PRICE: And where we haven't that we take the quotations of the Bank of Montreal on that and London Stock Exchange; those are all we have, and those are considered official and those have all been put in and are for the perusal of the Committee. I did not go into that because I thought I had made that quite clear when these were produced.

MR. DOHERTY: I suppose Harris could swear what he paid for them.

MR. PRICE: Oh, that is a different thing. We found he paid more than he had to.

MR. DOHERTY: He paid what he had to pay.

George H. Harris recalled.

THE CHAIRMAN: You were instructed last meeting to produce papers and documents, books, of these two firms. Are they here?

MR. PRICE: Four firms.

A.—The books are here, Mr. Chairman, with the exception of the books of Browning, Harris, Denman & Co.

Q.—Tell us what you are producing, books of which firm?

A.—Browning, Harris, Northey & Co.

Q.—You are producing Browning, Harris, Northey & Co.?

A.—Morgan, Dean, Harris and Mulveney.

Q.—Take Browning, Harris and Mulveney, what books?

A.—Whatever books are there.

Q.—What do they consist of?

A.—Ledger, cash sheets.

Q.—Covering what period?

A.—I haven't examined them. I just took them the way they were.
Private ledger.

THE CHAIRMAN: Browning, Harris, Northey books. Which is the first firm?

A.—Browning, Harris, Northey.

Q.—What are they?

A.—Here are ledger sheets, security sheets—

MR. PRICE: Well, that was not your first firm; the first was Browning, Morgan, Dean, Harris and Mulveney?

A.—But they don't enter into the Province of Ontario.

Q.—Did you send out a circular?

A.—Those books are all here.

Q.—Well, produce them first.

THE CHAIRMAN: This is Morgan, Dean, Harris and Mulveney?

A.—That is Morgan, Dean, Harris and Mulveney.

Q.—Is there any index to check these?

A.—That is all I have, Mr. Chairman. The way they are, they were handed to me. A search made through our office and given to me yesterday.

MR. CURRIE: Where is the original ledger?

A.—Those are the originals.

Q.—Just the sheets you have pulled out. Why didn't you produce the book?

A.—Because it is in use at the present time at the Browning, Harris, Dean & Co.

Q.—Is there any index so we can check these?

A.—No, sir.

Q.—It is hopeless almost for anybody—Is the rest of this stuff all like this?

A.—Not all of it.

Q.—Is this all Morgan, Dean, Harris?

MR. CURRIE: Are these all the ledger accounts in that firm?

A.—As far as I know they are all. These ledgers are four years old.

Q.—You were told to produce the books. Where are your cash books?

A.—These are they here.

Q.—Of which firm?

A.—It would be Morgan, Dean, Harris and Mulveney.

Q.—Where is Morgan, Dean, Harris & Co.?

A.—Morgan, Dean, Harris & Co., was before Morgan, Dean, Harris and—
These belong to Morgan, Dean Harris and Mulveney.

Q.—What do you produce?

A.—Cash book, minute book, ledger sheets, security ledger forms, that is all

Q.—What is the next firm?

A.—Browning, Harris, Northey & Co.

Q.—What do you produce for that?

A.—Ledger sheets, cash sheets, security sheets; that is all.

Q.—What about cash books?

A.—These are cash sheets, loose leaf there.

Q.—Have you got the stock statutory book?

A.—There are no statutory books. It was not a limited company.

Q.—Well, what else; what are the other firms? Browning, Harris, Northey & Co?

A.—These are Browning, Harris, Northey & Co.

Q.—What is the present firm?

A.—Browning, Harris, Denman & Co.

Q.—Have you produced them?

A.—No.

Q.—Why not?

A.—Mr. Browning refused to let me take them, for they are books we are using in our business at the present time.

Q.—Mr. Browning has been writing he wants to come; you may tell him he can come.

MR. BIGGS: If it is the intention to have an auditor go over these, I should judge that with Mr. Harris, you mean the auditor could go over the books of this last firm. It is simple, if they are using them in their current business.

MR. PRICE: Now, Mr. Harris, your first firm was Morgan, Dean, Harris and Mulveney, Ltd.

A.—As far as I was concerned.

Q.—Just answer the question?

A.—No, it was not.

Q.—What was your first?

A.—The first firm I had anything to do with in 1917 was W. F. Morgan, Dean & Co.

Q.—Well you didn't sell anything through that firm? Did you?

A.—No, sir.

Q.—Morgan, Dean, Harris and Mulveney, did they sell anything to the Government?

A.—No, sir.

Q.—So that when you sent out your circular under Morgan, Dean, Harris and Mulveney you were not really doing business with the Government under that firm?

A.—Not under Morgan, Dean, Harris and Mulveney, no.

Q.—You presented your card to the Manufacturers Life and Canada Life?

A.—As I remember it is the only card I had.

Q.—But you were really selling to the Government under Provincial Securities?

A.—They were at that time, yes.

Q.—You were Provincial Securities?

A.—Yes.

Q.—But you cast a suspicion on your action by using the Morgan, Dean, Harris and Mulveney, Ltd., card and by buying these stocks through that firm. Did you issue a cheque of that firm for them. Did you issue a cheque to the Canada Life from that firm?

A.—It is possible; I cannot remember.

Q.—Did you issue a check then to the Manufacturers Life?

A.—I cannot remember.

Q.—Well how did you pay them for that stuff?

A.—They might have been paid through the Bank of Toronto, or Morgan, Dean, Harris and Mulveney, I am not sure.

Q.—That is why we want Morgan, Dean, Harris and Mulveney books, have you got them here?

A.—I have already admitted—

Q.—Where are they?

A.—These are they.

Q.—You have enumerated all these you have brought in?

A.—I have enumerated them all.

Q.—Is that all of Morgan, Dean, Harris & Co., is that all? It was a partnership before it was a limited company?

A.—Yes.

Q.—Your next company, Browning, Harris, Northey & Co., where are they?

A.—These are they.

Q.—What do you produce?

A.—Ledger sheets, security sheets, cash book sheets.

Q.—What are these?

A.—Cash book sheets.

Q.—Cash book sheets? Why didn't you bring the whole books?

A.—Because the folders that were used are our present folders.

Q.—Is that your complete books?

A.—And this private ledger.

Q.—And that, same company?

A.—Yes, sir.

Q.—Well, you operated for a while under Browning, Harris, Northey & Co?

A.—These are Browning, Harris, Northey & Co.

Q.—Well, there is not any such firm as Browning, Harris, Northey & Co., Ltd.?

A.—Not now.

Q.—Well, was there at the time?

A.—Never, sir.

Q.—No limited company?

A.—No.

Q.—Well, where are the books of Browning, Harris, Denman & Co.?

A.—I have explained to you they are in Hamilton.

Q.—Did you buy any of that in the name of Browning, Harris, Denman, without it being incorporated?

A.—No, sir.

Q.—It was also an incorporated company?

A.—Yes, sir.

Q.—Did it take over the business from Browning, Harris, Northey & Co.?

A.—No it didn't. Browning, Harris, Northey & Co., was the firm until September of last year. Browning, Harris & Co. took over the business of Browning, Harris, Northey & Co. Mr. Northey dropped out and we just carried on.

Q.—And incorporated later? Practically the same books all the way down?

A.—Practically the same books all the way down.

Q.—You are doing business with these books. Mr. Browning objects to you bringing them here. Are you satisfied to have Mr. Clarkson go through them for the Committee?

A.—Yes, sir.

Q.—Is that satisfactory to the Committee?

MEMBERS: Yes.

MR. PRICE: There may be something in that, and a man should not be asked to bring all his books if he is doing business—

MR. CURRIE: If there is any transactions that should be referred to these books you can look them up.

MR. BELANGER: Can we give the auditor the right to go into any returned cheques or cheque stubs?

THE CHAIRMAN: We can order the production of any of these and under the arrangement we have made, Mr. Harris is to go with the auditor and produce all these. If the auditor reports he has not got any he can get an order from the Committee.

MR. BELANGER: This occurs to me because the Provincial Treasurer stated there might be cheques issued to some of these firms through whom the securities were bought in the name of one of these companies that apparently had nothing to do with this.

THE CHAIRMAN: If anything of that kind turns up we can order the production of it.

MR. BELANGER: Well, there would be no price in the books but there might be prices in the cheque.

MR. PRICE: We want Mr. Clarkson to go into everything. We want an accounting of this money in the Provincial Securities and Browning, Harris & Co. If there is anything in it we want to know.

MR. CURRIE: I have some questions to ask, but I prefer not to do it to-day.

MR. PRICE: If the Committee would pass a motion that we have Mr. Calvert and Mr. Chapman here?

The Committee adjourned until Friday, April 4th, at 10 A.M.

PUBLIC ACCOUNTS COMMITTEE

Proceedings before the Public Accounts Committee, at its session, held on the 4th day of April, 1924.

MR. DOHERTY: Mr. Chairman, before starting proceedings may I be permitted to make a statement to the Committee which I feel should be made to them at this time. A few weeks ago in the preliminary stages of this investigation, after the Provincial Securities matter had got under way, and the matter of the bond deal with Hart and Ross, I was under the impression that that was the extent of the matters which were likely to come before the Committee, and I had prepared a motion calling the late Provincial Treasurer—subpoenaing the late Provincial Treasurer. It became immediately evident to me that other matters were going to come under investigation and I felt that it was only proper and right that the late Provincial Treasurer should appear before the Committee after all the transactions which were to be investigated had been completed, so that he might be given an opportunity to reply to and answer any accusations that had been made. I withdrew my motion—it had not been put to the Committee in connection with calling the late Provincial Treasurer when the investigations had proceeded to the point where we dealt with matters which I thought were the only ones to be investigated.

In the meantime the matters under investigation and the evidence adduced indicates that the charges are very much more serious than I had any expectation of, and from what has been said by the Prime Minister, and has been indicated

by other sources the matter has progressed to the point now where it is indicated that criminal action is inevitable and is desirable, and will be started. The matter will be proceeded with in the courts.

In view of that I feel that the investigation before the courts will be thorough; it will be impartial and the ends of justice will be served and in view of that I just wanted to tell the Committee that I have thought it only right to make this announcement to the Committee that it is not my intention to subpoena the late Provincial Treasurer.

THE CHAIRMAN: You are not suggesting the Committee take any action.

MR. DOHERTY: It is entirely wide open.

HON. MR. PRICE: Do you think the time has arrived when criminal action should be taken?

MR. DOHERTY: It has been indicated by the Prime Minister.

THE CHAIRMAN: You said you thought it was desirable.

HON. MR. PRICE: I think we had better continue the investigation; it is being carried on in a fair way.

MR. DOHERTY: I thought it was only fair to you.

THE CHAIRMAN: Does anybody else want to make a motion, if so they can.

Albert E. Calvert, sworn.

HON. MR. PRICE: Mr. Calvert, what position did you occupy with the Home Bank before it went into insolvency?

A.—I was Manager of the Toronto Branch up to February, 1923, at which date I was in addition to being Manager of the Toronto Branch, I was appointed Assistant General Manager.

Q.—Was the Toronto Branch of the Home Bank situated in the same building with the head office?

A.—We occupied the lower floor.

Q.—The Toronto Branch then was on the lower floor, where was the head office?

A.—On the third floor.

Q.—Where was this building situated?

A.—8 King Street West.

Q.—I suppose you were in constant touch with the General Manager's office, being in the same building?

A.—Yes.

Q.—And on what date did the bank go into liquidation?

A.—August 17th, 1923.

Q.—Did your branch have deposits from the Province?

A.—It did.

Q.—What were your instructions from the General Manager concerning these deposits?

A.—In what particular?

Q.—I notice here from the evidence given by Mr. Whittaker that there were certain transactions covering 1921, 1922 and 1923, wherein he swears that certain payments were paid for commissions for deposits from the Province; can you say what your instructions from the General Manager were as to these commissions?

A.—He advised me, if I remember rightly, towards the close of 1921, that it was going to cost one per cent. extra interest to carry the Province's account.

Q.—1921?

A.—1920.

Q.—These commissions apparently started on April 5th, 1921?

A.—Yes, sir.

Q.—Your instructions would come towards the end of 1920?

A.—Quite some time before that, and he said our office would have to bear the one per cent.

Q.—What interest were you paying the Province on these deposits?

A.—Three per cent.

Q.—So that the Toronto Branch would have to pay one per cent. in addition to the 3 per cent.?

A.—Yes, sir.

Q.—How was this one per cent. to be charged up in your books?

A.—He instructed us to charge it to our interest account. I advised him we did not make payments out of our interest account and he said to charge our suspense account and refund it to the suspense account.

Q.—That accounts for the two vouchers, the two debit slips?

A.—Yes.

Q.—Do you recollect the first payment on April 5th as evidenced by Exhibit 94?

A.—This does not pertain to the Provincial.

Q.—There was one to Richardson, apparently on the same date. The one pertaining to the Provincial account would be?

A.—April 5th, 1921.

Q.—That refers to Exhibit 95. Well then, Exhibit 95 shows—is that your signature?

A.—Yes, initials.

Q.—As initialling the account. Just explain the procedure and how you would come to initial that debit slip or these two debit slips.

A.—A day or two before the payment was to be made the General Manager would ask me for the average balance of the account during the period, to make the average for two or three months, whatever the case may be. The day he would come down he would ask me for one per cent. on the credit balance; he would have it figured up. He would ask for that amount of money.

Q.—Just to leave that for a minute. How would this be figured out?

A.—On the average credit balance of the Province's account.

Q.—For what period?

A.—Usually the period he was paying for.

Q.—What period was this?

A.—Usually three months.

Q.—Would you put the amount?

A.—He did that sir, but I knew at the time it was approximately correct as it was quite easy to figure. It was on the debit slips.

Q.—In whose handwriting are these?

A.—That is my handwriting.

Q.—How would you make out this Exhibit—you would make out this Exhibit 95 on the instructions of the General Manager?

A.—Yes.

Q.—It would come down to your office in the Toronto Branch where you were Manager, and having been given the amount of the deposits of the Province for a period of say three months or two months it was figured out at what?

A.—One per cent.

Q.—Then you having written this out and initialled it as Manager of the bank, what would be the next step?

A.—The cash was received from the teller and handed to him.

Q.—I see on this debit slip I.O.U., teller, instructions General Manager—what would that be?

A.—That would indicate probably in the morning or the day before he received that money from the teller, and gave him an I.O.U. I do not think that was the procedure very frequently. It may have been an exceptional case.

Q.—As General Manager, he would come to the teller and put an I.O.U. in and take the money?

A.—Yes.

Q.—This would be your debit slip to make it right on your books?

A.—Yes.

Q.—If the money was not then gotten by the General Manager, either simultaneously or probably the day before, then it would be gotten at the time the debit slips were made out?

A.—Yes, which was usually the case, possibly in every case with that exception.

Q.—So that the April 5th debit slip would rather indicate that the actual money had been gotten or may have been gotten the day before?

A.—It may have, but more than likely it was the same day; we could tell by our books.

Q.—Paid on the 5th, there was an I.O.U. put into the teller?

A.—Yes.

Q.—So on April 4th the actual money might have been paid?

A.—Yes.

A MEMBER: What year is that?

HON. MR. PRICE: April 5th, 1921.

Q.—When you had written this up and initialled, would the General Manager be there with you on this occasion?

A.—He invariably came down to my office.

Q.—This would be the first occasion and one would think probably he would have been there?

A.—Undoubtedly he was, but he may not have been there.

Q.—Do you recollect—there are quite a number of these, do you recollect this first occasion?

A.—I can't remember the date in connection with it.

Q.—Having received this debit slip, what would you do with that, having made the debit slip, what would you do?

A.—In this case the cash had been received previously and if it had not been we would get cash from the teller and hand it to the General Manager.

Q.—Who would the teller be at this date?

A.—I could not tell without reference to the books.

Q.—Can you have that looked up for us?

A.—I think we have a certain—

Q.—Where would it go from the teller?

A.—It would come to me and I would hand it to the General Manager waiting in my office.

Q.—You have not got quite what I mean. Where would this debit slip go from the teller?

A.—That would be charged up to our suspense account.

Q.—Would it go to the accountant?

A.—No, to the ledger keeper.

Q.—It would be charged up then to your suspense account?

A.—Yes.

Q.—Then the other part of this exhibit, being a debit to interest account, and dated April 5th, \$3,500, when would that be made out?

A.—Possibly the same day, possibly later; it might be seven days later.

Q.—This one apparently was made out the same day?

A.—Yes.

Q.—What would happen to that?

A.—That would be a direct charge to interest account and credit would go back to the suspense account.

Q.—Where would this be filed?

A.—With the vouchers.

Q.—Well then, we have dealt with the system and with this transaction particularly, the money having been gotten the day before, you think?

A.—It may have in this case.

Q.—From the I.O.U. item?

A.—It may have been in the morning and the slip put through in the afternoon, I could not say.

Q.—Then you would draw money yourself?

A.—I would go to the teller and get the money or might ask the accountant.

Q.—And draw an amount of \$3,500, in what bills would that be?

A.—Usually ask for legals, large bills.

Q.—What would legals mean?

A.—500's and 1,000's.

Q.—Dominion bills?

A.—Yes.

Q.—Called legal tender?

A.—Yes.

Q.—Having gotten \$3,500 in your hand for commission as indicated in these various transactions in legal tender, what would you do with the actual money?

A.—Hand it to the General Manager.

Q.—Would you put it in your pocket?

A.—No sir. If I remember rightly, he asked for an envelope each time, may be not every time. I know he did on certain occasions.

Q.—You would put it in an envelope?

A.—Yes.

Q.—If the General Manager was there with you, would he be waiting down in your office?

A.—He would be in my office.

Q.—Till you completed the transaction?

A.—Yes.

Q.—You would hand him an envelope with money in it?

A.—Yes, sir.

Q.—If he were in his own office would you take the envelope up to him?

A.—I only remember doing that on one occasion; I may have on two occasions, but invariably he came down to my office.

Q.—But you do remember on one or two occasions taking an envelope up?

A.—I remember on one occasion.

Q.—Well then, Mr. Calvert, would you look at the statement? Would

you look at the statement made by Mr. Clarkson which cover the various payments made on the commission account. We have touched with one on April 5th, and we have gone over the point embracing the two debit slips on the interest account and the suspense account. The next one I see there is on May 11th: Cash, instructions General Manager, May 10th, 1921, \$2,500. I am producing the debit slips, Exhibit 96. Do you identify these as having been made out by you?

A.—Yes.

Q.—And initialled by you?

A.—Yes.

Q.—Would that transaction of May 11th be carried out in a similar way to the transaction of April which you have described in detail?

A.—Any more than there was no I.O.U. in this case.

Q.—This case of the I.O.U. would rather show this was arranged on the date, April 10th. Would it be April 10th or 11th?

A.—May 10th.

Q.—Carried out on May 10th. I see in this you put instructions General Manager?

A.—Yes.

Q.—That would indicate your authority for carrying that transaction out?

A.—Yes.

Q.—Do you remember whether this transaction on April 10th was carried out by you taking up the envelope to him after you got the \$2,500?

A.—I cannot remember specifically taking it up.

Q.—You would arrange the whole matter and get the money; you would either take it up or someone else on your instructions. Did any one else in the bank take up these envelopes?

A.—If I was there I would take it up.

Q.—If you did not take it up who would?

A.—Well, I understand Mr. Whittaker took it up on one occasion when I was away.

Q.—You remember that occasion?

A.—I remember seeing the entries afterwards.

Q.—Then on July 27th, if you refer again to Mr. Clarkson's statement, Exhibit 93, which is referred to here for payments on April 5th and 11th, and now coming to July 27th, we have two debit slips, one on the suspense account and one on the interest account July 27th, and that is Exhibit 97. Will you identify that, Mr. Calvert?

A.—This is initialled by the accountant and Mr. Whittaker.

Q.—This is not made out by you?

A.—Not by me.

Q.—This is Mr. Whittaker's handwriting?

A.—No, Mr. Chapman, the accountant.

Q.—And on July 19th, 1921, suspense account, legals, \$2,500; it is initialled by the accountant?

A.—Yes, sir.

Q.—In your absence?

A.—Yes.

Q.—And Mr. Whittaker's signature?

A.—Initials.

Q.—The paid date marked there shows?

A.—July 20th.

Q.—The debit to interest account is July 26th, but it refers back—why would that be put July 27th?

A.—The slip might be made out and not go through the books till the next morning.

Q.—What does this entry mean?

A.—That is reversing the entry of July 21st, reversing the debit into interest account.

Q.—On this particular item or particular payment of \$2,500 as indicated in Exhibit 97, you were not apparently at the bank the day that was carried out. Is there anything there that indicates you carried out any part of that transaction?

A.—Nothing on that that would indicate I was there at the time.

Q.—Then the next item is November 3rd, 1921, payment, legals, head office, November 2nd, 1921, the second being the day of payment of \$4,000. I am producing Exhibit 98, being a debit slip on suspense account of that date. Will you say whether that is in your handwriting?

A.—That is in my handwriting.

Q.—Has your initials?

A.—Yes and the accountant's.

Q.—And the accountant's, Mr. Chapman?

A.—Yes.

Q.—What is Mr. Chapman's full name?

A.—G. L.

Q.—The payment in legals means, as you stated before, large bills, 500's or thousand dollar bills?

A.—Yes, sir.

Q.—This amount was paid on November 2nd. Is there anything about this payment of November 2nd which you recollect?

A.—Not apart from the others, no.

Q.—The next payment is December 29th, 1921, the actual payment apparently being made on December 9th, 1921: Payment to head office, instructions, J.C.M., \$3,300 P.O. P.O. that would mean?

A.—Province of Ontario.

Q.—Referring now to Exhibit 99, the debit slips on that payment. Is that in your handwriting?

A.—That is the accountant's writing initialled by me.

Q.—I notice that comprises a payment made to Mr. Richardson as well as payment made to, apparently made through the General Manager. In the debit slip of December 29th accounting for \$3,300—what does this notation mean?

A.—It covers reversing two payments.

Q.—Payment to head office, December 9th?

A.—And \$2,000 City of Toronto.

Q.—C. T. is City of Toronto?

A.—Yes.

Q.—And \$3,300, making altogether \$5,300?

A.—Yes.

Q.—Were these payments usually made about the same day?

A.—No, sir, not in my recollection.

Q.—You had apparently different instructions for the Province of Ontario than for the City of Toronto?

A.—Yes.

Q.—The City of Toronto was carried out to Mr. Richardson by cheque?

A.—Straight cheque.

Q.—That was according to your instructions?

A.—Yes.

Q.—I notice, 1st February debit slip apparently on account and one to Mr. Richardson is?

A.—Cheque.

Q.—It is really your own cheque?

A.—He was given a bank's cheque in this case.

Q.—Is there anything you can recollect particularly about this transaction on the 29th December?

A.—Not apart from this.

Q.—I am not examining particularly on every item because I understand you carried them all out in the same way. You have explained to me the general procedure?

A.—Yes.

Q.—When you explained the first one of April 5th?

A.—Yes.

Q.—They were carried out with the same procedure?

A.—Yes.

Q.—They may differ in detail?

A.—Yes.

Q.—We are down to 1922, March 11th we have debit to interest paid on March 1st, \$4,000, re Province of Ontario, instructions from J.C.M., head office?

A.—Yes.

Q.—I see the cheque is dated January 4th and debit slip to interest account for the Province of Ontario. I see the March 11th one paid on March 1st, being Exhibit 101. Do you identify that as your handwriting?

A.—The accountant's handwriting and initialled by me and the accountant.

Q.—Debiting interest account to suspense account. This item of \$4,000, why would this be? There is March 8th and that looks like March 18th, why would there be a difference in these dates on the debit?

A.—This is March 1st, the actual payment.

Q.—That is March 1st, so the actual payment was March 1st, in suspense account?

A.—Yes, sir.

Q.—Then it was debited to interest account March 8th?

A.—Yes, sir.

Q.—Is there anything peculiar about that?

A.—No, it might be overlooked.

Q.—Then the only payment of these afterwards is what is stamped on the suspense account?

A.—Yes, the suspense account.

Q.—We can take it in all these cases, no matter what the date of the interest account payment may be—this is paid on March 11th?

A.—Yes.

Q.—That is this stamp on the suspense account debit?

A.—That would be the only payment.

Q.—In this case it was March 1st?

A.—Yes.

Q.—That is what you have in Mr. Clarkson's statement?

A.—Yes.

Q.—I notice these cheques running pretty closely together, the Toronto payment and the Ontario payment, cheque being issued in the Toronto payment and debit being issued in the Ontario payment. Were these figured on the same basis, the basis of one per cent.?

A.—Yes.

Q.—Did you ask in any one case for the sheet which showed the per cent. payable to the City of Toronto, and in the other case the debit slip?

A.—I did not.

Q.—You carried out your instructions?

A.—Yes.

Q.—The next one we have is an entry apparently in the interest account on May 31st, and a payment out on June 19th re head office profit and loss, \$3,000. It does not appear to be debited for interest account, but there is a debit for the suspense account. Is that your handwriting?

A.—Yes, sir.

Q.—It is on Exhibit 103, dated June 19th, what is the notation?

A.—Re head office.

Q.—It is put on the same day?

A.—Nineteenth.

Q.—I notice occasionally these are put through on your own signature and in other cases two signatures?

A.—If we were both there, we would invariably sign them together.

Q.—The accountant would have the authority?

A.—Yes.

Q.—And they would pass it on his signature?

A.—Yes.

Q.—If you were out to lunch he would have authority?

A.—They would pass it on either one's signature.

Q.—The next is September 21st, first the date in the interest account, September 7th, date of payment in suspense account re head office interest, payment made to head office, \$3,000. Would you look at Exhibit 105 being debit slip for suspense and interest account, and state whether they are in your handwriting?

A.—The suspense account is my handwriting and the other Mr. Chapman's.

Q.—This is initialled by the two of you?

A.—Yes.

Q.—These are the initials on the suspense account?

A.—Yes.

Q.—As a payment to head office, \$3,000?

A.—Yes.

Q.—And the paid transaction says September 7th?

A.—Yes.

Q.—It looks like a transaction all put through on the same day?

A.—Yes.

Q.—September 7th, 1922—on October 4th was the debit in interest account, and September 27th debit in suspense account. All of these are 1922, \$2,000 apparently. The suspense account voucher is missing, but that is interest account. Is that in your handwriting?

A.—That is my handwriting.

Q.—Initialled by?

A.—By myself.

Q.—And paid on October 4th?

A.—Yes.

Q.—What is that, current account there—suspense account?

A.—That is only the credit to suspense account, that is reversing it.

Q.—The next item is the one of October 28th in interest account, October 25th in suspense account, re interest head office, \$1,500, and notation of payment head office, being Exhibit 107. Will you look at these and say whether they are in your handwriting?

A.—This is in my handwriting.

Q.—Suspense account is in your handwriting and interest account, whose?

A.—Mr. Chapman's, initialled by Mr. Chapman and myself.

Q.—Initialled by Mr. Chapman and yourself, what is that?

A.—Re interest head office.

Q.—The paid stamp says in suspense account October 25th?

A.—Yes.

Q.—The same day as it was paid out?

A.—Yes.

Q.—The next item, now we are getting into 1923.

MR. FISHER: Was Mr. Chapman the accountant?

A.—Yes, sir.

HON. MR. PRICE: We are down now to January 4th, 1923, and we have—that is the payment apparently in interest account, in suspense account it is December 20th, 1922, marked head office interest. Producing Exhibit 109, will you tell me whether these two are in your handwriting?

A.—One is.

Q.—Suspense account?

A.—Yes.

Q.—The debit slip is in your handwriting?

A.—Yes.

Q.—Paid on December 21st?

A.—Yes, sir.

Q.—That is initialled by?

A.—The accountant and myself; this is in the accountant's writing.

Q.—January 4th, 1923, is in the accountant's handwriting?

A.—Yes.

Q.—Reverse entry on December 21st?

A.—Yes.

Q.—The payment is apparently made?

A.—Through our books on January 4th.

Q.—As far as interest account is concerned?

A.—Yes.

Q.—I point out to you—what was the real date of payment to the General Manager?

A.—I can only tell that by our books; it would appear by the stamp as being paid on the 21st, although the cheque is dated the 20th.

Q.—That would be December 20th, 1922, and we have April 9th, a payment made on April 9th, to both Mr. Richardson—your entry of April 9th in the interest account covering payment to Mr. Richardson of \$1,000, and in the Province of Ontario account \$3,000, making altogether \$4,000. Producing

Exhibit 110 will you identify these debit slips and state whether they are in your handwriting?

A.—Both in the accountant's writing.

Q.—Are they authorized by your initials?

A.—Both initialled by me.

Q.—On what date in the suspense account was that paid?

A.—April 6th, \$3,000.

Q.—Province of Ontario account was paid on April 6th, \$3,000?

A.—Yes.

Q.—And the City of Toronto account actually charged up in the same debit slip in interest account is actually paid on what date?

A.—April 3rd or 5th, the stamp is April 5th.

Q.—How do we get the 3rd? I see the date of payment is put down as April 3rd?

A.—The cheque is dated April 3rd, they may not have cashed it.

Q.—Then June 7th we have a debit slip, interest account, June 7th, 1923, \$2,000 payment made for head office, legals, \$2,000, is that your signature?

A.—That is my initials.

Q.—And also by the accountant?

A.—Yes.

Q.—That is Exhibit 111.

MR. DOHERTY: What is the date of payment?

A.—June 7th, that is interest account.

HON. MR. PRICE: On June 8th, that is marked paid—apparently there is no voucher in the suspense account.

A.—There should be.

MR. DOHERTY: There is no date given for payment.

HON. MR. PRICE: I understand that Colonel Mason was away from the bank at that time, do you recollect this particular cheque?

A.—I remember taking a few to his house.

Q.—Just let us get the facts of that. From whom would you receive instructions at that time?

A.—From him.

Q.—He would instruct you to bring this amount of money up to his house?

A.—Yes, sir, he would ask me the same way for the average balance of the account. I would go back and forward that to him.

Q.—What time was it Colonel Mason took ill?

A.—Around the 1st of May.

Q.—Was he down to the bank on the 1st of May, 1923?

A.—I am not sure, I don't think he was.

Q.—Do you recollect about what time he became bedridden?

A.—I know he was out on the 1st of July; he was out in the country on the 1st of July.

Q.—When you went up to his house and brought this \$2,000 in legals up to his house was he in bed?

A.—He was sitting in a chair, if I remember correctly.

Q.—He was quite capable of doing business?

A.—Directing the affairs of the bank.

Q.—You were at that time carrying out his instructions?

A.—Yes.

Q.—Did you receive instructions direct from him?

A.—Yes, whatever date I had been up before, probably the day before.

Q.—Did you go up every day to see him?

A.—Some weeks I would be up probably every second day.

Q.—You recollect particularly taking this money up there and getting instructions from the General Manager?

A.—Yes.

Q.—For Province of Ontario interest commission?

A.—Yes.

Q.—This is one of the transactions you know about personally?

A.—Yes.

Q.—And got personal instructions?

A.—Yes.

Q.—I want to be very particular about it?

A.—I would like to see the debit slips.

Q.—Apparently there is no debit slip on that. Then marked on that: Payment made out for head office request, apparently, cash, so there would be apparently no debit slip to suspense account. Would you draw that without making a debit slip in suspense account?

A.—I cannot understand doing so; it was not the custom to do that.

Q.—Was there any one present when you handed these to Colonel Mason at his house?

A.—No, sir.

Q.—Was any one in the house there with you, any stranger in?

A.—No, sir, not that I saw.

Q.—Did you see anybody?

A.—No, sir.

Q.—Were you asked to make any appointments; were you asked to make any appointment with anybody there?

A.—Not at that particular time that I remember.

Q.—Were you at any other time?

A.—Yes, one time he did ask me to make an appointment for him. I think it was later.

Q.—What date was that? There is no voucher on file—would that be the time?

A.—It may have been, I could not just say.

Q.—What was this appointment he asked you to make?

A.—He asked me to have the Provincial Treasurer come to see him.

Q.—At his house?

A.—Yes.

Q.—That was, would you say whether that was on this—there is a statement July 13th as produced in Exhibit 112, comprising the cheque to Mr. Richardson for \$1,000, and also a debit slip on interest account July 11th; that is correct, isn't it, Mr. Calvert?

A.—Yes.

Q.—And the debit remittance account, that is a little different, isn't it, you were always debiting suspense account?

A.—Yes.

Q.—What is this?

A.—Similar account we were making payments to.

Q.—July 11th?

A.—Yes.

Q.—Would it be July 11th?

A.—I am inclined to think July 11th.

MR. FISHER: He has not said—

HON. MR. PRICE: I am not leading him at all, not as far as I have gone.

Q.—On July 11th debit interest, credit, \$3,000—Colonel Mason was still at his house?

A.—Yes, sir.

Q.—Do you recollect whether you took this money up to his house?

A.—Yes, sir.

Q.—\$3,000?

A.—\$2,000.

Q.—\$1,000 comprises another cheque to Mr. Richardson?

A.—Yes.

Q.—You took this debit slip and remittance account as dated July 11th?

A.—Yes.

Q.—The payment is what date?

A.—July 11th.

Q.—Do you recollect the instructions you got on that occasion?

A.—I do. He said he wanted to pay the extra one per cent. up to the end of June. I remember that particularly.

Q.—Did you do the figuring to the end of June?

A.—He asked what the balance was to the end of June.

Q.—At his house?

A.—Yes.

Q.—Then is that debit slip on remittance account in your handwriting?

A.—The accountant's writing, initialled by me.

Q.—It is initialled by you?

A.—Yes.

Q.—You got \$2,000 in legals?

A.—Yes, sir.

Q.—Will you describe what you did with it there?

A.—I put it in an envelope and took it to his house and handed it to him.

Q.—Do you recollect was there any one present when you handed it to him?

A.—No, sir.

Q.—Do you know was there anybody there with him?

A.—Not that I know of.

Q.—You referred when we were discussing the other exhibit, Exhibit 111, dated June 7th, you referred to Colonel Mason, asking you to make an appointment with the Provincial Treasurer. On what date was that appointment made?

A.—I couldn't state the date. I believe it was some time in June, probably the early part of June, he said he wanted to see him about the account.

MR. DOHERTY: He said what he wanted to see him about?

A.—Yes, about the general account.

Q.—Where did you have this conversation?

A.—In Colonel Mason's house.

Q.—You say it was in the month of June?

A.—I believe it was early in June.

HON. MR. PRICE: Was it before this payment of \$2,000 on June 7th?

A.—I couldn't swear to that, sir.

Q.—Is there anything, any other thing that would fix this payment in your mind?

A.—I don't think there is specifically.

MR. CURRIE: You did not make a diary entry?

HON. MR. PRICE: We have the diaries here.

Q.—When you got instructions to make this appointment with the Provincial Treasurer, what did you do?

A.—He told me to ascertain if he was in the city and told me he would like to see him, and I was able to locate him and delivered the message.

Q.—Was he in the city?

A.—I believe he was in the city, yes, sir.

Q.—Where was he located?

A.—I do not recollect, sir.

Q.—Was there any difficulty in making the appointment?

A.—I didn't definitely make an appointment, I told him the General Manager would like to see him some time.

Q.—Where?

A.—At his house.

Q.—Had you made any other appointments for the Provincial Treasurer at the General Manager's house?

A.—No, sir.

Q.—Then, Mr. Calvert, we had evidence here, Mr. Whittaker gave, and he spoke about going down when you were away and getting \$2,500, and taking it up to the General Manager. How many times did you take up money obtained under these various debit slips?

A.—I took it up once, at least, and possibly twice. I remember taking it up on one occasion and giving it to him in Mr. Whittaker's room.

Q.—Can you tell just how that was done? Was that the usual process?

A.—No.

Q.—What did you usually do—we will get to this particular case?

A.—On the other occasion I took it up and handed it to him in another office. He was in Mr. Whittaker's office, I believe; Mr. Whittaker was not there, he was alone.

Q.—On the other occasion you handed it to the General Manager in Mr. Whittaker's office and Mr. Whittaker was not in?

A.—Yes.

Q.—Was there any other occasion?

A.—Not in the office.

Q.—Did you ever hand it to the General Manager in his own office?

A.—I don't think I did; I don't recollect having done so.

Q.—Well, then, this occasion where you handed it to the General Manager, when Mr. Whittaker was present, just explain that?

A.—If I remember rightly, on that occasion he phoned down for a certain amount of money, either that or phoned down and told me—

Q.—Who had phoned down, the General Manager?

A.—Yes.

Q.—What did he say when he phoned down; do you recollect what he said?

A.—He said he wanted to make the usual payment of one per cent. and told me the amount.

Q.—For the?

A.—Province of Ontario.

Q.—Having phoned down to you, you would carry out the proceedings as indicated in these various vouchers?

A.—Yes, sir.

Q.—Get the money?

A.—Yes, sir.

Q.—Was it in an envelope?

A.—I put it in an envelope.

Q.—On this occasion when you handed it to the General Manager in Mr. Whittaker's office was it in an envelope?

A.—Yes, sir.

Q.—Had Mr. Whittaker any conversation with you before or at the time?

A.—We had discussed the matter in connection with the private account.

Q.—What is that?

A.—We had discussed it in connection with the private profit and loss account

Q.—Did Mr. Whittaker know this was being done?

A.—I understand so.

Q.—This particular occasion where you took up the envelope with the money in it and handed it to the General Manager in Mr. Whittaker's presence, did Mr. Whittaker have any conversation with you prior to that about that payment?

A.—I could not say definitely, but I rather think he would. The question perhaps would come up at the end of the meeting.

Q.—The General Manager telephoned down to you to bring the money up and you put it in an envelope and took it up. You think Mr. Whittaker did that prior?

A.—Yes. It was not figured up, the amount of interest. After it was figured up, it seemed large and he was discussing the payment of one per cent. extra on the Province's account.

Q.—Do you recollect being phoned to twice about that, or three times to hurry up?

A.—No, I don't recollect that, sir.

Q.—What was said when you handed this to the General Manager, what was the conversation?

A.—I don't remember any conversation, I don't suppose there would be any.

Q.—Were there any remarks made by any one?

A.—I believe not.

Q.—Was there any one else in the room at the time?

A.—No, sir.

Q.—Where would Mr. Whittaker's room be situated relatively, was it adjacent to the General Manager's?

A.—Yes, sir, just behind the General Manager's, on down the hall.

Q.—What did the General Manager do when you handed him the envelope with the money in on this particular occasion before Mr. Whittaker?

A.—I don't just remember, sir, I probably would leave the room at once and go downstairs.

Q.—Do you recollect what he did, the General Manager?

A.—No, sir, I don't.

Q.—Do you remember the times Mr. Smith was in your office or was he ever in your office?

A.—Yes, sir, on one or two occasions, probably three or four occasions.

Q.—What was he there about?

A.—He brought a party in and introduced him to me one day, he wanted me to give him accommodation in some way, a small matter of \$400 or \$500.

Q.—On the occasion Mr. Smith saw you, did it have anything to do with the Ontario account?

A.—No, sir.

Q.—On other occasions did you see Mr. Smith in the bank?

A.—On at least two other occasions I have known he was in the bank. I have seen him come in or go out of the bank.

Q.—At the time any of these payments were made?

A.—Yes, sir.

Q.—Where would you see him?

A.—I would be out probably in the outer office and would see him go up the elevator or come down. From my office I could not see him.

Q.—Would you see him prior to taking up this money to Colonel Massey or after?

A.—On one occasion it was prior, and on another, I believe, it was when he was going out; he would be in quite frequently and I would not see him.

Q.—In working out—it is not quite clear in the minds of the Committee as to what period these payments were worked out?

A.—That was entirely up to him, he would have to tell us to make the payments; I think it was invariably two or three months.

Q.—It looks like quarterly from the payments?

A.—Occasionally they were two months.

Q.—Whatever period they were based on it would be one per cent.

MR. DOHERTY: How did you work it out? I see two payments in one month; how do you work that out?

A.—Where does that occur?

Q.—In June, 1923, weren't there two in that month?

A.—There was an extra month as I explained. The month of June he asked me to pay that up in full.

THE CHAIRMAN: When he was ill?

A.—Yes.

MR. DOHERTY: July 11th, payment would be June?

A.—Yes.

Q.—One made in June, we have no date for it?

A.—It would likely cover April and May.

MR. CURRIE: Where did you come from to the bank, when you came to the bank first?

A.—To the Home Bank?

Q.—Yes?

A.—The Sovereign Bank.

Q.—Where did you start banking?

A.—With the Sovereign Bank.

Q.—Are you a Toronto man?

A.—No, sir.

Q.—Where did you come from?

A.—Lambton County.

Q.—What was the first thing you did for the Home Bank?

A.—Accountant at West Toronto.

Q.—When did you come to the head office?

A.—I was there relieving a short time.

Q.—You were relieving officer and they took you into the bank?

A.—In 1915 or 1916.

Q.—You became chief executive, next to the manager when?

A.—On February 1st, 1923.

Q.—Now what instructions did you get with reference to the payment of these—of drawing these moneys out of the funds of the bank, and who did you get your instructions from?

A.—From the General Manager.

Q.—What did he say to you?

A.—He told me he wanted one per cent. interest on the account.

Q.—What for?

A.—He said he had to pay it.

Q.—To whom?

A.—He said it went back to the Province through the Provincial Treasurer.

Q.—Have you ever made an entry in the bank book against the Province for this amount?

A.—No, sir.

Q.—Why didn't you?

A.—My instructions were to charge it to our interest account.

Q.—Still you would have it charged to the Province in the interest account. Did you charge it to the Province in the interest account?

A.—Charged it to self, under current account.

Q.—Which would include the current accounts—are you satisfied that money went back to the Province?

A.—I wouldn't say.

Q.—With regard to the one per cent., did you ever pay back any money to the Province through the bank, for instance, this interest? What did you do for the rest of the interest account?

A.—Paid in the regular way.

Q.—What would be the regular way?

A.—Their account was credited with it.

Q.—In your books?

A.—Yes.

Q.—This was not credited to the account of the Province?

A.—No, sir.

Q.—In other words, it was a latent or hidden account, is that right?

A.—It was paid in the manner I have described.

Q.—This Committee, this is not a court of law and you can be frank and free, and tell them what you thought of the whole transaction. Open up and let us know all about it. I want you to be frank.

A.—I have told you pretty well all I know, sir.

Q.—There are other things you haven't told us. Did Mr. Mason tell you had to hand this over to Mr. Smith personally?

A.—I do not think he ever said it in that way.

Q.—Did you understand he was paying it?

A.—I understood he was handing it back to the Treasurer.

Q.—Where did Mr. Richardson's go?

A.—To Mr. Richardson.

Q.—Didn't you think it was strange to have to give legals going back into the treasury; was there any necessity for legals?

A.—It was the instruction of the General Manager.

Q.—You were quite certain about the way things were carried on. You wanted to keep your books straight?

A.—I only had my instructions.

Q.—Did it ever occur to you that something was going on that was not a straight transaction?

A.—I wouldn't say; he was running the bank.

Q.—You hadn't a word to say?

A.—No.

Q.—You have been questioned closely with reference to these payments. What was the exact date? We have different vouchers here and one was charged interest account—that is general interest account of the bank?

A.—Yes.

Q.—You charge that account with one per cent., is that right?

A.—Yes.

Q.—That is to say you fill a voucher out if you are not charging it up against interest account and that voucher was held until it was passed over the counter to the accountant and the accountant handed over legals?

A.—The debit would go through as money taken and an adjustment would be made after.

MR. CURRIE: We are not technical bank men.

MR. LEWIS: He has explained.

MR. CURRIE: I am trying to get it out myself.

THE CHAIRMAN: Let him give his evidence.

MR. CURRIE: There is a discrepancy from the time the money was paid and the date of these different vouchers.

HON. MR. PRICE: That has been explained.

MR. CURRIE: I was trying to follow you and I confess I could not follow exactly how these things occurred. For instance, in cases you took money to the Manager and it is charged in the interest account, isn't that right?

A.—Yes, sir.

Q.—You charged the interest account?

MR. McKEOWN: The witness will explain that to you.

MR. CURRIE: I will question him in my own way.

WITNESS: We had instructions.

Q.—Who do you call we?

A.—I should say myself probably.

Q.—Did anybody else in the bank have instructions?

A.—They would come through the accountant.

Q.—Was anybody else given instructions but you?

A.—Not that I know of.

Q.—The Manager would say he wanted \$2,000 in legals for the outside man on the Treasury, is that right?

A.—He would say I want to make a payment of one per cent. and you would charge it to your interest account. I explained we did not make payments out of interest account and he said charge to suspense account and reverse it.

Q.—You did not make payments of this kind through the interest account; you issued cheques invariably?

A.—Yes.

Q.—In the regular way?

A.—Yes.

Q.—This was kind of a queer transaction so you had to put it through in an account known as suspense account?

A.—Yes.

Q.—What did you bundle into the suspense account; what else was there in there, other payments of a similar nature?

A.—These payments of the City of Toronto account.

Q.—That is the Mr. Richardson who was also paid in suspense account?

A.—Yes.

Q.—Did you make any objection to the account in that way. You were an officer of the bank; you were up alongside of the General Manager weren't you?

A.—Only just for a month or two at the last.

Q.—What was your idea of the transaction at the time?

A.—I cannot say I questioned the transaction.

Q.—Did you think that transaction was a straight transaction, going through the bank books in that way?

A.—I can't say I think it was wrong; it was debited to suspense account.

Q.—Did you think that money went to the Treasurer of the Province of Ontario?

A.—I was not sure it went there.

Q.—You know it was not put through in the regular way. Do you think that money was going through the Province of Ontario account when it was paid through in this peculiar form of transaction?

MR. DOHERTY: We do not want what you think.

MR. LEWIS: Allow me to ask a question.

MR. CURRIE: Let me attend to the witness myself.

MR. DOHERTY: If he has any knowledge, we want it. We don't want any suppositions.

MR. CURRIE: This Committee is not a court of law and anything you say here, you can speak right out. Tell us all about the whole transaction and be fair to the Committee. We want to know whether you know anything about Mr. Smith. If you have any knowledge that will lead you to believe that Mr. Smith had anything to do with these transactions, let us have it.

A.—I never saw money actually given to Mr. Smith.

Q.—Did you see Mr. Smith around when money went out of the bank?

A.—On two occasions.

Q.—What about that? Mr. Smith was there as the Provincial Treasurer. Don't pay any attention to Mr. Doherty, you answer me. Tell me what did you think about these transactions, about Mr. Smith coming down and getting money for the Province of Ontario?

A.—The Provincial Treasurer?

MR. DOHERTY: I object.

THE CHAIRMAN: Mr. Doherty has a right to object.

MR. DOHERTY: I object to any person asking any witness for their opinion on their views of anything in connection with this. We are concerned with exact information, and if the witness is prepared to swear that he saw or knows the money went to this man all right, we want it. We do not want any witness's opinion or views.

MR. CURRIE: You know that money was taken—

THE CHAIRMAN: Let us have one thing at a time. Mr. Doherty's objection is reasonable enough.

MR. CURRIE: I am going to appeal to the Committee against that, if you are going to rule it.

THE CHAIRMAN: The thing has got to be done decently. The Committee has got to be respected, and we have got to do it in a decent way.

MR. CURRIE: The rules of evidence—

THE CHAIRMAN: Let me speak.

MR. CURRIE: Come to the point.

THE CHAIRMAN: I am willing to give everybody as much latitude as possible. We want to always realize that there must be some sense of fair play. This man is under indictment and is in a very trying position. Anything you want as to the facts.

MR. CURRIE: I will ask the question and you object— Did you know Mr. Smith got any of this money, that is what I asked.

A.—I don't know.

Q.—Are you satisfied he got no money. This evidence is quite correct and that question is all right. Are you satisfied he got money?

A.—I would not like to say.

Q.—What knowledge have you got in that connection. Did Mr. Mason tell you he gave any of this money to Mr. Smith?

A.—As I stated before it was going back through the Provincial Treasurer.

Q.—Who was the Provincial Treasurer?

A.—The Hon. Peter Smith.

Q.—So Mr. Mason told you that this money was going back to the Provincial Treasury through Mr. Smith?

A.—Yes.

MR. DOHERTY: Are you prepared to swear that any of this money ever went from Mason's hand at all?

A.—I could not swear.

Q.—As far as you know it may never have left his hand?

A.—I am not prepared to say.

Q.—You are not prepared to say a dollar of the money ever went past Mr. Mason?

A.—I can't swear that.

MR. CURRIE: Tell us, do you know of any similar transaction conducted by Mr. Mason?

A.—I think they had paid some outside members of the staff a commission for getting deposits.

Q.—They paid some of the members of the bank staff?

A.—Yes.

Q.—Did they pay people outside of the bank, except these two people?

A.—Not that I have knowledge of.

Q.—Your books show?

A.—Not the books in my office.

Q.—It was not the habit of Mr. Mason to say I want you to draw some commission for somebody and hand me legals?

A.—This was the only case.

Q.—Did you think this was a straight kind of transaction?

A.—I may have.

Q.—You had your own views. So from the atmosphere you thought this was not quite right. We have had a lot of talk about atmosphere. Did you feel about other transactions the same as about this one?

A.—I do not remember.

Q.—Did you notify any of the directors?

A.—No.

Q.—You notified directors about other accounts in the bank that were not satisfactory?

A.—When I was in a position to do so.

Q.—What did you say when you got into that position about this transaction, did you tell anybody?

A.—I don't remember, except the accountant and chief supervisor.

Q.—That is Mr. Whittaker?

A.—Yes.

Q.—You talked to him?

A.—We discussed it in connection with profits.

Q.—You thought it was pretty hard for the bank to have to give up their profit or so much of their profit to the Province?

A.—It made a heavier carrying charge.

Q.—Did you from your position and knowledge of banking believe what was told you that that was going back to the Treasury by way of Mr. Smith?

MR. DOHERTY: We do not want his belief.

MR. CURRIE: I will appeal to the Committee.

THE CHAIRMAN: Colonel Currie, you are not going to threaten me; somebody is going to run this Committee. When an objection is made I will make a ruling. It will be time enough to appeal from a ruling when it is made.

MR. CURRIE: If you rule I cannot ask him if he believed that—

THE CHAIRMAN: When the objection is made.

MR. CURRIE: I asked him the question if he believed the money went back to the Province.

MR. FISHER: I am prepared to make the objection, the belief of this man is not evidence.

MR. CURRIE: We are not taking evidence, we are taking testimony.

MR. FISHER: You cannot get that kind of evidence.

MR. CURRIE: We want to get the facts out of this witness and I can ask him his belief. He is an important officer in charge of the funds of the bank, and an unusual transaction takes place, and the Manager makes a statement that the money is going back to the Province. I said: Did you believe that money was going back—

THE CHAIRMAN: Just a moment.

MR. CURRIE: If you rule that out of order say so.

THE CHAIRMAN: Surely the chair is entitled to a little respect. Anything to a matter of fact can be told, and you are at liberty to go into it.

MR. CURRIE: Am I not right in asking the question? I am leading this witness and want to find out if he believed the money went back.

MR. DOHERTY: May I make an objection?

THE CHAIRMAN: No.

HON. MR. PRICE: I would like to say this, that probably if he might ask in this way, were there any circumstances?

MR. CURRIE: I was going to take that as a second question.

HON. MR. PRICE: Put that as the first question.

MR. CURRIE: Were there any circumstances which led you to believe that this money did not go to the Province? Did you say yes or no?

A.—I can't say.

Q.—You know very well, tell us what you thought was wrong with the transaction?

A.—I can't answer that.

Q.—You can answer that.

THE CHAIRMAN: Colonel Currie has asked you if there are any circumstances surrounding the transaction?

A.—The payment of legals might be one.

MR. CURRIE: You thought that was a circumstance, that the payment was made in legals. Do you think it was a proper payment, being made in legals?

A.—Yes.

Q.—Any other thing in connection with the payment that you thought was wrong. You thought if that money was going to the Treasurer it should have passed in the regular way, did you not?

A.—I would surmise that; he did not always say it was going back to the Treasury.

Q.—You said that on the start.

THE CHAIRMAN: He said it was going back to the Treasury through the Treasurer.

MR. CURRIE: Who did he say he was paying the money to?

A.—To the Treasurer.

Q.—He did not always say the money was going back to the Treasurer did he?

A.—No, sir.

Q.—What did you infer from that as an officer of the bank; you were in charge of this money. Did you infer it was lost on the way up from the bank to the Treasury Department; was that your idea?

A.—I do not like to make any reference to that.

Q.—You had your own idea about it, didn't you?

A.—Just as he told me, it was going to the Treasurer.

Q.—Did he say it was going to the Treasurer; he never said it was going all the time to the Treasurer? He never said this money went to the Treasurer.

A.—No.

Q.—He said it was going to the Treasurer?

A.—Yes.

HON. MR. PRICE: So in paying your interest, the interest of 3 per cent. it would be, I presume, credited like other interest in connection with the Province in the account of the Province?

A.—Yes.

Q.—Then when this one per cent. instruction came up from the General Manager was that credited in the account of the Province?

A.—No, sir.

Q.—That will bear out your answer to Colonel Currie that it was a suspicious transaction?

A.—Yes.

Q.—That would be one of your ideas?

A.—Yes.

Q.—I wanted to get in these diaries.

MR. CURRIE: Let me ask one more question. There is no entry in the books of the bank to show this money went back to the Treasurer, is there?

A.—I stated that before.

MR. DOHERTY: In all these transactions there was nothing happened to our knowledge that puts you in a position now to swear that ever a dollar ever went past where you delivered it?

A.—No, sir.

MR. McKEOWN: I see here a payment to Mr. Richardson by cheque, that is for the City of Toronto account?

A.—Yes.

Q.—I think you told Colonel Currie there were some other payments by way of commission to some members of the staff for their work?

A.—Special representatives.

Q.—These were made by cheque to the different persons?

A.—Yes.

Q.—And the only payment to any person or any corporation of this kind that went through in this peculiar way was the Province of Ontario account?

A.—As far as I know.

Q.—As the Treasurer has indicated the 3 per cent. interest that was properly payable to the account went through your books in the regular way?

A.—Yes.

Q.—If you were simply paying the Province and anybody else 4 per cent. instead of 3 that would go in the usual way? Notwithstanding your instructions definitely that is not what you were paying. You were not paying in the regular way?

A.—Not in the regular way.

Q.—That would be a circumstance would it not in suggesting to your mind there is something very peculiar about these particular payments?

A.—Yes.

Q.—The fact that instead of writing the cheque payable to the Honourable Treasurer of this Province for one per cent., the money was drawn out in large bills and handed over?

A.—Yes.

Q.—That was another circumstance that made it peculiar?

A.—Yes.

Q.—And this peculiarity you discussed with men like Mr. Whittaker and others?

A.—Not in connection with payments, it was more in connection with profits.

Q.—And Mr. Whittaker, I believe, told us he asked you how you were getting these payments through the books of the bank and keeping the accounts straight?

A.—I don't remember.

Q.—You don't know whether he asked the accountant?

A.—No.

Q.—These matters were discussed between you and Mr. Whittaker?

A.—Yes, sir.

Q.—The peculiarity of this method of dealing with the Province's account?

A.—I don't think that point was mentioned.

Q.—You told us of taking an envelope up to Mr. Mason and giving it to him in Mr. Whittaker's room?

A.—Yes, sir.

Q.—Would the door open between Mr. Whittaker's room and the General Manager's?

A.—There was no door between.

Q.—It was situated in the office of the General Manager?

A.—Yes.

Q.—I thought you said there was no door?

A.—Out in the hall.

Q.—No door between?

A.—No.

Q.—Did you notice whether the Provincial Treasurer was in the building on that occasion or not?

A.—I can't say on that occasion.

Q.—When you did deliver money at any time over to Mr. Mason did you notice that on that particular day the Provincial Treasurer was in the building?

A.—I remember on two occasions.

Q.—He would not necessarily pass through your office in going to the General Manager's office?

A.—He might be in one hundred times and I would never see him.

Q.—Why?

A.—The elevator is off the vestibule outside.

Q.—Do you know what this is that I am now producing? Do you know what this pad is that I am now producing—this is a diary is it?

A.—Yes, sir.

Q.—Do you know in whose handwriting these several entries in the diary are made?

A.—Colonel Mason's.

Q.—Is that the diary of Colonel Mason?

A.—I would say so.

Q.—What does it represent; does it represent appointments made by him to meet different people?

A.—I would say where there is a time set it would likely be an appointment.

Q.—I see here March 1st, 1922, what do you see on the pad? (Pad marked Exhibit 119.)

A.—Eleven A.M., Hon. Peter Smith.

Q.—Would that indicate the General Manager had an appointment with the Hon. Peter Smith on March 1st, 1922?

A.—I would say so.

Q.—On March 1st, 1922, what do you say is established by Exhibit 101?

A.—Payment of \$4,000 made.

Q.—Re what, Province of Ontario interest?

A.—That is what it would be.

Q.—On March 14th, Exhibit 101 establishes payment of \$4,000 interest on Province of Ontario account and the pad would indicate that on that day the General Manager had an appointment with the Hon. Peter Smith—March 1st?

A.—Yes.

Q.—And March 1st, the pad would indicate an appointment at 11 A.M. with the Hon. Peter Smith?

A.—Yes, sir.

MR. CURRIE: Have you taken up the Richardson matter with the witness?
THE CHAIRMAN: Incidentally when it overlapped.

MR. McKEOWN: I see an entry here, suspense account June 4th, 1922, \$1,800, payment head office interest, payment head office?

A.—Yes.

Q.—What has that reference to? Has that reference to the Provincial account?

A.—Yes, sir.

Q.—In Exhibit 116, on the pad for 1923, I see a memo Hon. P. S. as of the 14th January, would that be any indication as to an appointment at that time?

A.—I would say so.

MR. DOHERTY: Wasn't that payment made on December 20th?

A.—According to this.

MR. McKEOWN: What is the date of June 4th? Exhibit 119 which is the pad for 1922 appears to stop about April. It is absolutely a blank as far as making appointments are concerned during the rest of the year so that this pad not evidence of any transaction?

A.—I do not understand.

HON. MR. PRICE: I understand he was away from the bank around that time.

A.—May or June, 1922, to the best of my knowledge.

MR. McKEOWN: These payments which were said by you to be one per cent. interest on the Province of Ontario deposit never went into the Province of Ontario account in the Home Bank?

A.—No, sir.

Q.—Where they went to you can't say?

A.—No, sir.

HON. MR. PRICE: Mr. Calvert, just one question on these envelopes with money in that you took up to the General Manager. Would you make any statement on these?

A.—No, sir.

Q.—Any writing on the outside?

A.—No.

Q.—A plain envelope?

A.—Yes.

MR. CURRIE: Did you discuss your evidence before with anybody, before you came in?

A.—No, sir.

Q.—You did not have a talk with the officers of the Provincial Police?

A.—I saw the Commissioner.

Q.—Commissioner who?

A.—Cuddy.

Q.—Did you talk it over with your solicitor?

A.—Very little.

Q.—Who is your solicitor?

A.—Mr. Dewart.

Q.—Hartley Dewart?

A.—Yes.

Q.—What did he tell you—you are under indictment?

A.—Yes, sir.

HON. MR. PRICE: I do not want a wrong impression to be had about Mr. Dewart in this thing. I am assured he was quite satisfied to have Mr. Calvert come here and give evidence, although he is under indictment and I think the members of the Committee should know the exact situation.

MR. FISHER: When did you commence paying this extra one per cent.?

A.—It would be in April, 1921.

Q.—Can you tell us whether Mr. Smith was seen around the bank prior to that date?

A.—I couldn't say that.

Q.—This memorandum you have, do they go back to 1921?

A.—I have never seen them.

Q.—You do not know anything more about it than we do?

A.—No.

HON. MR. PRICE: You mean the diaries?

MR. FISHER: The diaries.

Q.—Did they overdraw in the bank?

A.—Yes, sir.

Q.—To what extent?

A.—To the extent probably of a million dollars.

Q.—Overdrafts?

A.—Yes, sir.

Q.—Was there any change in 1921 of any account?

A.—To the best of my knowledge there was a large deposit made in the fall of 1920.

Q.—How large a deposit?

A.—\$2,000,000 or over.

Q.—What had been your balance up to that?

A.—I couldn't say without referring to the books, probably \$500,000 to \$700,000.

Q.—Then there was a deposit?

A.—Of \$2,000,000 and some withdrawals.

Q.—In 1901 any withdrawals?

A.—No, sir, I think the balance would probably run about \$1,200,000.

Q.—Was there any change in the amount of the deposits about the time this arrangement was made to pay one per cent.?

A.—I think—there would be about the time of this large deposit in 1920.

Q.—You said 1921?

A.—The first payment was April, 1921.

HON. MR. PRICE: The first interest payment.

MR. FISHER: How often did you make these payments?

A.—There is approximately three months between them, sometimes two months.

Q.—One per cent.?

A.—On the deposit receipts.

Q.—Did you calculate that every time?

A.—I gave him the average credit balance and he calculated.

Q.—How do you account for the fact that these payments out are all in even multiples of \$500?

A.—He took it to the closest amount apparently.

Q.—Nothing less than \$500 was worth while?

A.—Apparently not.

Q.—These moneys all went to the Manager?

A.—General Manager.

Q.—They all went in legal tender?

A.—To the best of my recollection.

Q.—Apparently \$500 bills and \$1,000 bills?

A.—Yes, sir.

- Q.—Any smaller at any time?
- A.—There may have been, I have no recollection.
- Q.—Was it a common thing for Mr. Mason to get money in bills from the bank?
- A.—I can't say it was a common occurrence.
- Q.—Did he do it outside of these transactions?
- A.—He may have done it.
- Q.—Do you know?
- A.—I would say he has.
- Q.—To what extent?
- A.—I am afraid I couldn't answer that without going through the books.
- Q.—Was it in large bills or small?
- A.—There was small ones.
- Q.—Were there any large cheques go through his accounts, or small?
- A.—There was some cheques went through his account.
- Q.—He drew money out of the bank in legal tender?
- A.—Yes, sir.
- Q.—How large would they be?
- A.—Well, there was some entries went through his account for some considerable amounts, \$15,000.
- Q.—\$15,000?
- A.—\$25,000.
- Q.—How often?
- A.—Only on one occasion.
- Q.—When was that?
- A.—In 1919, I believe.
- Q.—You are referring to \$25,000?
- A.—Yes, sir.
- Q.—What was that in connection with, do you know?
- A.—I am not sure, sir.
- Q.—Have you got any idea?
- A.—Nothing definite.
- Q.—What did you charge it to?
- A.—It was charged to his personal account.
- Q.—He got money in large bills?
- A.—Yes, sir.
- Q.—How often outside of that one instance did he get money out in bills?
- A.—There were two or three cheques, I do not remember any others in particular.
- Q.—Subsequently?
- A.—There may have been, I am not aware of any.
- Q.—If you don't know, that is an answer, if you do know, I want to know.
- A.—I do not know.
- Q.—After 1919 did he get any money in legal tender except the money that was paid in connection with this deposit?
- A.—I do not remember any particular one.
- Q.—Do you pay out many bills of \$1,000 in a day?
- A.—No, sir, only through the clearing house.
- Q.—Have you made any effort to trace these bills?
- A.—No, sir.
- Q.—Are you employed by the liquidator?

A.—Yes.

Q.—Has any attempt been made?

A.—I don't know.

Q.—You haven't had anything to do with it?

A.—No.

HON. MR. PRICE: Mr. Clarkson said—

THE CHAIRMAN: Mr. Clarkson told us how that was arrived at.

HON. MR. PRICE: I did not think you were in. Mr. Clarkson said the condition at the end of the day there was so much in legals to pass the clearing house, and that the amount of the cheques, the discrepancy, accounted for the exact amount of the cheques in each case.

MR. FISHER: Did the Hon. Peter Smith have an account in your bank?

A.—Not to my knowledge.

Q.—Did he do any private business with your bank?

A.—No, sir.

Q.—You told us he came in and asked you to give a loan to somebody else?

A.—Yes.

Q.—What else was he there for?

A.—He saw me one time about making a small loan to the Town of Haileybury.

Q.—What else?

A.—I think there was one in connection with the Town of Cochrane.

Q.—Anything else?

A.—Not that I know of.

Q.—Mr. Mason had a bank account with you, had he?

A.—Yes.

Q.—Do you know anything about it?

A.—No, sir.

Q.—Did you ever see any of these bills after they were handed to Mr. Mason?

A.—No.

Q.—They never came back to your bank so far as you know?

A.—No, sir, not to my knowledge.

Q.—How many people in your bank knew Mr. Mason was getting large amounts in legal tender?

A.—The accountant would know, possibly the tellers would know, possibly anyone that passed entries would know.

Q.—How many would that be altogether?

A.—Probably four or five would possibly see it.

Q.—Four or five people?

A.—Yes.

Q.—Knew they were taking out large sums like that?

A.—Yes.

Q.—He did not try to conceal it in any way?

A.—I saw no indication of that, sir.

Q.—You thought there was nothing extraordinary about it?

A.—No more than I have said, the payment in legals seemed out of the ordinary.

MR. GARDEN: Did the directors of your bank know that three per cent. the interest was going to the treasurer in one way by cheques, and the other one per cent. going in this peculiar manner?

A.—I don't know, sir.

Q.—You have no knowledge that any of the directors or inspectors knew?

A.—The Chief Supervisor knew, he was next to the General Manager.

Q.—Whittaker?

A.—Yes.

MR. CURRIE: There has been a cheque lost out of the bundle, do you know anything about what happened that cheque?

A.—No, sir.

Q.—You did not take it out of the bundle?

A.—No, sir.

Q.—You never saw the cheque?

A.—Not to my recollection; that is a Bond Department cheque.

Q.—Was Mr. Ross in the Bond Department about that time?

A.—I think he was, I could tell by my books.

HON. MR. PRICE: From the time that cheque on the 15th of December was drawn, of which we have the stub placed in as Exhibit 85, until April, 1921, there does not appear to have been any moneys going to the Province or any of the commissions paid through General Mason, can you account for that?

A.—No, sir.

Q.—There seems quite a long time where no payments were made, I would think starting about April, 1921.

A.—If I remember rightly it was in the fall of 1920 that he told me he had made arrangements for the one per cent.

Q.—Had the \$15,000 item on December 15th, 1919, anything to do with it?

A.—Not to my knowledge, sir.

MR. BELANGER: At what period were you crediting the account of the Province with the three per cent. interest? At what period of the year?

A.—It would likely conform with their requirements, I do not just recollect the dates. We would make it up in our own books half yearly at the end of July and November.

Q.—It would be only half yearly?

A.—Half yearly unless they withdrew some of their deposits; they might draw out half a million dollars in the middle of the month, and would want interest on that date.

Q.—You would draw from interest to make up the commissions?

A.—No, they might want two millions at a time and the interest would only make up till the time they drew. If they drew out half a million dollars they would make up the interest to the date of the withdrawal.

THE CHAIRMAN: In the form of deposit receipts?

A.—Yes.

MR. CURRIE: When the Province became hard up they went down.

MR. BELANGER: Would you be in a position to say whether on any of the years that interest was credited that the one per cent. was to be paid?

A.—It is doubtful.

Q.—I understood you to say one per cent. was not paid to the last cent?

A.—No, sir.

Q.—Was three per cent. paid to the last cent?

A.—No, sir.

Q.—In what way would you credit the three per cent.; would a slip go out to the ledger keeper to put through a credit slip to the Province or a debit slip?

A.—It would be a debit to our interest account, the credit would go to account.

Q.—It was this debit slip?

A.—Yes.

Q.—That debit slip is or not the difference between the debit slip on expense account and debit slip as appears in this one per cent. withdrawal?

A.—They might not materially differ. We might put it through a journal in one case, and it would go to the ledger keeper.

Q.—It would go to the teller when it was withdrawn in cash?

A.—Yes.

MR. FISHER: That payment in April, 1921, what was the amount of that is the first payment.

HON. MR. PRICE: \$3,500.

Q.—That would be one per cent. on something?

A.—Yes.

Q.—One per cent. on what?

A.—On the balance.

Q.—What would that be?

A.—I couldn't tell without referring to the books.

Q.—A multiple of a hundred—no, that would be a fraction of the year, would be about a \$1,500,000.

MR. FISHER: Have you got enough information to tell us by looking your books the time at which that was paid?

A.—Not accurately, sir. I can check it up.

Q.—You could tell us approximately?

A.—Yes, sir.

Q.—You could give us some guide as to whether it started on the day got a large deposit?

A.—I can't see it would.

MR. FISHER: I would suggest that is something worth looking into.

THE CHAIRMAN: (Requests Mr. Nash to furnish the memorandum for by Mr. Fisher regarding the first payment of \$3,500.)

HON. MR. PRICE: Mr. Calvert, what would you say about the deposits over a period of several months prior to that, the deposits of the Province?

A.—I think during 1920, they were not very high, probably from \$500 up to \$700,000.

Q.—Do you remember the size of those at the time of the payment?

A.—I think it was over \$2,000,000.

Q.—Who was treasurer then? That was during what year?

A.—1920.

HON. MR. PRICE: The liquidator will make out a statement.

MR. FISHER: Showing the balances at the end of the month.

HON. MR. PRICE: Yes, I will have it produced.

MR. CURRIE: Did you keep a diary?

A.—Yes, sir.

Q.—Do you produce it?

A.—I haven't been asked for it.

Q.—Anything in connection with this matter?

HON. MR. PRICE: I do not think there is; Mr. Clarkson has gone through.

MR. CURRIE: It was whenever the Province got hard up they sent up got a cheque for Mr. Smith, did they?

Rena Virtue, sworn.

HON. MR. PRICE: You were employed in the Home Bank for some considerable time?

A.—Yes, sir.

Q.—What was your position there?

A.—Secretary to Colonel Mason.

Q.—How many years did you occupy that position there?

A.—From November, 1918, until July, 1923.

Q.—You were there from 1918 until the close of the business?

A.—No, until the end of Colonel Mason's regime.

Q.—What date was that?

A.—When he closed up his private affairs on the 1st July, 1923.

Q.—And in that capacity of private secretary to the General Manager of the Home Bank where was your office situated?

A.—The first portion of the time I was in an office next door.

Q.—The first part of the time you were in an office next door to his; there was a corridor in between?

A.—No, the two offices were in connection with the bank at the front and the corridor ran along behind.

Q.—Was there a door from your room to Colonel Mason's room?

A.—Not direct.

Q.—You had to go out into the corridor?

A.—Yes.

Q.—And go into Colonel Mason's out of the corridor?

A.—Yes.

Q.—How long were you in that? How long did you have your office in that portion of the bank?

A.—I think it was about 1922.

Q.—During 1918, 1919, 1920, 1921 and 1922?

A.—Yes.

Q.—In 1922 you changed to another portion of the bank; what portion of the bank were you in then?

A.—Colonel Mason took the board room, and I had the secretary's office.

Q.—Colonel Mason had the board room, and you had the secretary's office adjoining. Was the secretary's office or your office immediately adjoining? Was there a door from your office into his?

A.—Yes.

Q.—Where was Mr. Whittaker's office at that time?

A.—Mr. Whittaker had an office vacated by the General Manager.

Q.—On the other side of the board room?

A.—In front of the board room, the board room ran along the back of the building.

MR. DOHERTY: What year was that?

A.—I think it was 1922.

Q.—So Mr. Whittaker's office and Mr. Mason's office in 1922 were at the opposite ends of the building?

A.—We were all together.

HON. MR. PRICE: Until 1922 when you went up and the General Manager occupied the board room and you had the office alongside?

A.—Yes.

Q.—You were down in what part of the building prior to 1922?

A.—The front part of the building.

Q.—Up till 1922, say this is General Mason's office, you had to go out into the corridor to get into his office, and this is where Mr. Whittaker's office was?

A.—At that time?

Q.—Yes?

A.—He and I shared offices.

Q.—Your office and Mr. Whittaker's office was the same office?

A.—Yes.

MR. DOHERTY: Would you ask when they changed where was she? Where was the board room?

HON. MR. PRICE: After 1922 you moved into the board room—Colonel Mason moved into the board room, and you had the office adjoining?

A.—Yes.

Q.—Where were these offices situated?

A.—In the back of it.

Q.—In an entirely different place?

A.—It sounds entirely different, but they were so near together, the back and front of the building.

Q.—How far would that be away?

A.—The door of Colonel Mason's office was directly in the same place as it was in the new office.

Q.—What were your duties as private secretary?

A.—Attending to everything.

Q.—Did you look after correspondence?

A.—Yes.

Q.—What other things did you look after?

A.—Kept his appointments for him and answered his telephone and wrote his letters.

Q.—When people came in to see General Mason did you have anything to do with that?

A.—If I was there, I would probably announce them.

Q.—Can you produce your diaries? I think these are your diaries. Would you produce your diaries for the period, say in 1921, when these payments started?

A.—What part of 1921?

Q.—The first part of 1921, say along in April. (Diary for 1921 marked Exhibit 120.)

Q.—Tell us what entries you have in the diary relating to the Hon. Pete Smith?

A.—I do not see anything.

Q.—Is there one on May 20th, 1921?

MR. DOHERTY: There are none in April.

A.—I do not find any; I have just glanced through casually.

Q.—He could not have had an appointment without you having it there?

A.—Yes.

HON. MR. PRICE: Let us clear up how the appointments are made. Do you recollect Colonel Mason's diaries or appointment pads? Could you recognize them if you saw them?

A.—Yes, sir.

Q.—Would you say that this one covering the year 1922, would that be his diary or not?

A.—That is Colonel Mason's writing to the best of my knowledge.

Q.—This is one for 1923?

A.—Yes.

Q.—Is that Colonel Mason's writing?

A.—Yes.

Q.—There would be no doubt about these being his diaries?

A.—No, that is Colonel Mason's.

Q.—Where would that diary be kept?

A.—On his desk, beside his telephone.

Q.—And these diaries you produce to me were your own diaries?

A.—Kept in my desk.

Q.—In your office?

A.—Yes.

Q.—How would appointments usually be made?

A.—He would say remind me to call Mr. So and So on a certain day, and I would make a note in my book. Sometimes he would phone to the switch-board and say get me So and So.

Q.—He looked after his own diaries?

A.—Yes, he made his own entries.

Q.—You made your own?

A.—Yes.

Q.—Take the first entry you have?

A.—Relating to the Honourable—

Q.—Relating to the Hon. Peter Smith, on Friday, 20th May, have you an entry?

A.—Remind me, Hon. Peter Smith.

Q.—What is the next one you have?

A.—Memo re Hon. Peter Smith.

Q.—What date is that?

A.—Friday, April 24th.

Q.—Have you one on Thursday, 26th?

A.—Hon. Peter Smith next week.

MR. DOHERTY: In what year is that?

HON. MR. PRICE: Of 1921.

MR. DOHERTY: April?

A.—This is May 26th.

Q.—You have one on the 27th, what does that say?

A.—Memo re Hon. Peter Smith.

Q.—What would that mean? What does memo mean there; is that the exact entry; what would memo mean, the Hon. Peter Smith?

A.—May have been a memo of his conversation over the phone with Peter Smith or it may have been a memo of what he wanted to discuss.

HON. MR. PRICE: Does it mean you took down dictation on that?

A.—I would merely jot down a certain entry on a slip of paper.

Q.—Would you recollect what you would jot down?

A.—Probably be an amount of money.

Q.—Do you recollect the size of these amounts?

A.—In millions—I would not say millions, I would say thousands, hundred thousands possibly. What I meant to infer, it would be a loan maybe, the amount of a huge loan or huge deposits.

Q.—What is the next item you have?

A.—June 14th.

Q.—What is that?

A.—Hon. Peter Smith called to-day.

Q.—These are all in your handwriting, are they?

A.—Yes.

MR. DOHERTY: June 14th, 1921.

HON. MR. PRICE: Yes.

MR. DOHERTY: It does not coincide with any of these.

HON. MR. PRICE: Your next one?

A.—I do not think this has anything to do with it—see Provincial Secretary
I hardly think I would put secretary if I meant treasurer.

Q.—I think you have one on October 4th?

A.—See Hon. Peter Smith to-day.

Q.—That is October 4th, 1921, see Hon. Peter Smith to-day. That seem
to be all in the year 1921. If the Treasurer were in to see the General Manager
on these dates you have mentioned would you make any notation?

A.—Not necessarily.

Q.—Not unless you were directly brought in and given some instructions

A.—No.

MR. MACBRIDE: You had one memo there: See Provincial Secretary
What business would the Provincial Secretary have with the Home Bank
Do you know of any business he would have with it?

A.—No, not that I know of, I don't know anything about that.

Q.—Had he an account there?

A.—I don't know anything about the account.

Q.—What date was that?

A.—I fancy probably I wrote secretary when I meant treasurer.

Q.—It may have been an error?

A.—Yes.

MR. LEWIS: Did you know the Provincial Secretary?

A.—No, I did not.

Q.—Did you ever know of him being in to see the General Manager at all

A.—Not that I am aware of.

Q.—You think probably this was a mistake for treasurer?

A.—Yes, I left out the word.

HON. MR. PRICE: Let us have the 1922 diary. You have one on the 11th
January, I think, 1922?

A.—That isn't with reference to the Hon. Peter Smith.

Q.—What does that say?

A.—Discuss with Mr. Ross, Bond Department percentage of profit, salaries
and etc.

Q.—Would that have anything to do with this matter?

A.—None whatever.

Q.—What would be an ordinary business transaction?

A.—That was a discussion with Mr. Ross; Mr. Ross was manager at that
time.

Q.—Your next item is September 7th, 1920; what was the appointment
there; what was the entry there?

A.—Make copy of letter from C. A. Barnett and return original for Mr.
Daly's files.

Q.—Just relating to Mr. Smith there is apparently one there on September
7th?

A.—Yes, call Hon. Peter Smith.

MR. DOHERTY: That would mean to call him on the phone?

A.—Yes.

HON. MR. PRICE: Would you call the Hon. Peter Smith?

A.—No, I would remind Colonel Mason.

Q.—Do you know, as a matter of fact, whether he did call on that date?

A.—I would not care to say.

Q.—Would you be able to say whether he was in your office on that date?

A.—I would not like to say from memory.

Q.—How many times was the Hon. Peter Smith in your office and in Colonel Mason's office that you could recollect?

A.—A rough guess, a dozen.

Q.—When he would come in, would he be in your office part of the time?

A.—In passing through, he might stop for a minute.

Q.—He would have to pass through your office?

A.—Not at first.

Q.—But when he came to see the General Manager would he have to ask you to announce him?

A.—He would when I was in the board room, but would not before.

Q.—Up to 1922 he would have to come to your office and ask you to announce him?

A.—He was always expecting him; I opened the door and let him in.

Q.—He was always expected?

A.—He never came except by appointment.

Q.—An appointment arranged by the General Manager?

A.—Yes.

Q.—Did you arrange any yourself?

A.—No, I never talked with the Hon. Peter Smith over the telephone.

Q.—You cannot say about the arrangement of specific appointments through you?

A.—No.

Q.—Is there anything you can say?

A.—Colonel Mason made them personally.

Q.—He asked you to remind him to make them?

A.—He would call up Peter Smith's secretary.

Q.—How do you know he arranged the meeting? Would you know he was going to see Colonel Mason?

A.—Colonel Mason would tell me.

Q.—We will leave that till we finish these diaries. Your next apparently is Monday, September 27th. Look at that and read out the entry?

A.—Write resume of Peter Smith's interview.

Q.—Monday, 25th September, 1922?

A.—Yes.

Q.—Write resume Peter Smith interview. You wrote the memo; I want get what you did?

A.—That would not necessarily mean that I wrote it.

Q.—If you wrote the resume who would give you that?

A.—The General Manager.

Q.—It would be given to you by the General Manager?

A.—Yes.

Q.—Would he dictate it to you?

A.—Yes.

Q.—What would you do with the resume, would you write it out in long hand?

A.—It would be probably two or three lines, or not lines, probably two or three facts.

Q.—These two or three facts would be written out; did you write them out in longhand or shorthand?

A.—On the typewriter.

Q.—Then what did you do with them?

A.—Hand them to Colonel Mason.

Q.—Would you see them again?

A.—No, I never did see them after.

Q.—Do you remember the contents of any of these resumes that you wrote?

A.—Well, one I wrote longer than others I remember; it was about the issue of Province of Ontario.

Q.—Province of Ontario what, Bonds or Treasury Bills?

A.—Treasury Bills.

Q.—Where would that resume go?

A.—It was on white slip of paper, it might have gone into my files.

Q.—If it did not go into your files it would go into General Mason's hands?

A.—He usually put them in his pocket.

Q.—Then you have something on Wednesday, the 27th September?

A.—General Manager called on Provincial Treasurer this afternoon.

MR. DOHERTY: That would be up at the Buildings here?

A.—I couldn't say. Probably passing my door he would say I am calling on the Provincial Treasurer.

HON. MR. PRICE: Then on the 27th September, 1922, there is a payment of \$2,000 shown as being paid through the General Manager and apparently the voucher is missing, September 27th, 1922, \$2,000—that being the record Mr Clarkson gives us, Miss Virtue. When you make that memorandum in your files would you know anything else about the visit the General Manager was about to make?

A.—No.

Q.—Would you know anything of what he was—of the reason for the visit? Just be clear on that, Miss Virtue, because the General Manager would be going to see the Provincial Treasurer, and it shows he received \$2,000 on that date in legals; would you know about the General Manager receiving \$2,000?

A.—He wouldn't receive them from me.

Q.—You do not know about that?

A.—No.

Q.—You cannot give us any light on that?

A.—No.

(Miss Virtue's diary for 1922 marked Exhibit 121.)

(Miss Virtue's diary for 1923 marked Exhibit 122.)

Q.—Now in your 1923 diary, Miss Virtue, apparently there is one on the 5th of January, 1923, what is the entry?

A.—Telephone Hon. Peter Smith.

Q.—In your diary for 1923, put in as Exhibit 122, that is on the 5th of January, 1923, there is an entry in your diary: telephone Hon. Peter Smith and on the 6th January, 1923, \$3,000 was paid, was given according to the evidence to General Mason, payment for head office remittance account. I an

wrong. I looked down and saw the wrong date. On January 4th, that was another date; there was paid on December 20th, 1923. In this item of Friday, January 5th, telephone Hon. Peter Smith, I think you have made it clear to us you would not telephone Mr. Smith?

A.—No.

Q.—It was not put there for the purpose of you telephoning?

A.—He probably gave me that a week before.

Q.—This would be to remind him?

A.—Yes.

Q.—In a diary produced here to-day, 1922, marked Exhibit 119, there are number of items. I will call them out, Miss Virtue, so we can get them indented. 1922 in Colonel Mason's diary, Exhibit 119, there is an entry on January 6th, tell us what that entry is?

A.—Hon. Peter Smith, Stratford.

Q.—Hon. Peter Smith, Stratford, is that in General Mason's handwriting?

A.—Yes.

Q.—Did General Mason go up to see Mr. Smith at Stratford?

A.—No, sir.

Q.—Was he ever up to see him at Stratford that you know of?

A.—I never knew he was to Stratford to see the Hon. Peter Smith.

Q.—January 18th, what is the entry?

A.—Hon. P. Smith.

Q.—January 23rd?

A.—Hon. P. Smith.

Q.—January 26th—I do not believe it is about our matter. F.H.R., what would that be?

A.—The city's deposits and F. H. Richardson's.

MR. DOHERTY: These entries in the diary might mean—

Q.—These entries in the diary might mean one of several things, might mean he wanted to call him on the phone or wanted to make an appointment, it might mean any of these things?

A.—Yes.

Q.—What would it mean, likely mean from your knowledge of his habits and practice?

A.—Most likely mean he wanted to get in touch with him.

Q.—Either at his office or the Buildings or somewhere?

A.—Yes.

Q.—January 27th?

A.—Call Hon. Peter Smith re next week.

Q.—What would all that mean?

A.—Next week would be the end of the month.

Q.—What would the end of the month have to do with it?

A.—The Province's statement.

Q.—How would that affect the Hon. Peter Smith? Just give us your opinion?

A.—There is: re next week, that means end of the month; that means the termination of the account at the end of the month.

Q.—Then your next one, January 31st?

A.—Hon. P. Smith.

Q.—On February 1st?

A.—Hon. P. Smith.

Q.—February 2nd?

A.—Hon. P. Smith.

Q.—February 7th?

A.—Call Hon. P. Smith for Wednesday.

Q.—Do you recollect anything about that time, Miss Virtue, there were quite a number of appointments?

A.—I think following along like that he had not been successful.

Q.—In the first attempt and kept on. February 9th?

A.—M. J. H. and F. H. R.

Q.—What is that?

A.—M. J. Haney and F. H. Richardson, 10.30.

Q.—March 1st?

A.—Eleven A.M., Hon. P. Smith.

Q.—On March 1st, 1922, there was \$4,000 paid to General Mason and charged to interest?

A.—On March 1st.

Q.—See Miss Virtue, this account just explained to you. The liquidator made a statement which shows payments were made for obtaining deposits from the Province and in all of these cases it is shown that the money was drawn through Mr. Calvert and Mr. Whittaker and given to Colonel Mason, and in one case the envelope was handed at the time Mr. Smith was in with General Mason; Mr. Whittaker went into his office and handed him an envelope, and Mr. Smith was sitting there. We have traced a lot of these, Colonel Mason to Mr. Smith, and Mr. Smith was around on that occasion and he was there on other occasions. According to Mr. Clarkson's statement on March 1st, 1923, there was \$4,000 paid to Colonel Mason re the Province of Ontario, instruction J.C.M., and this is charged up to their account. On March 2nd: (continuing with diary.)

A.—Send for Hon. Mr. Smith.

Q.—On March 6th?

A.—The one on March 1st is crossed out.

Q.—What does that indicate?

A.—He came the next day.

Q.—Eleven A.M., Hon. Peter Smith, he did not get him, and he came in the next day?

A.—Yes.

Q.—On the 6th March?

A.—Hon. P. Smith.

Q.—On the 7th?

A.—Hon. P. Smith to call on the 8th.

MR. FISHER: What does to call mean?

A.—To visit him or to call him on the phone.

HON. MR. PRICE: Which would it be, call Hon. Peter Smith on the phone or to call on him?

A.—I think if Colonel Mason meant call on him he would put call on Hon. Peter Smith; he has Hon. Peter Smith to call.

Q.—March 8th?

A.—Hon. Peter Smith two to three.

Q.—March 10th?

A.—Ten thirty A.M., Hon. P. Smith.

Q.—Well, then in this diary after that time, Miss Virtue, there seem to

very few entries. Will you look at the diary and see? I mean there are no more as far as Mr. Smith is concerned. You know his diary. Just tell me and the Committee, we are very anxious to know, if there is anything else you see there that would help us?

A.—That would indicate Colonel Mason was not at his best.

Q.—The balance of the diary?

A.—If he came in for a day he did not have any appointments.

Q.—Where was he, was he ill?

A.—Yes.

Q.—Where would he be, in town?

A.—At home.

Q.—In the summer?

A.—At his summer home.

Q.—He would come into town?

A.—Yes.

Q.—And then the same thing apparently applies to 1923. On the 1923 pages I see we have on April 5th—will you just read out the entry on April 5th, 1923?

A.—Hon. P. Smith, 3.15.

Q.—That would be an appointment at 3.15?

A.—Yes.

Q.—Is that in Colonel Mason's handwriting?

A.—Yes.

MR. DOHERTY: Are there any other appointments just before or after that time?

A.—One on the same day with Mr. Richardson.

Q.—With Mr. Peter Smith?

HON. MR. PRICE: I do not think there are, Mr. Doherty. I would call attention to the Committee to this point that the diary shows January 15 an appointment with the Hon. Peter Smith at 3.15. What is the next one? April 4th I think it is or somewhere along there or April 4th?

A.—April 5th, Hon. P. Smith.

Q.—Is there anything on the 6th?

A.—In reference to that?

Q.—On the 5th there the Hon. P. Smith; there is no doubt about that?

A.—No, that would be the memo.

Q.—What other appointments are there there?

A.—Which date?

Q.—The following date, one on the 7th?

A.—Hon. P. Smith.

Q.—On the 7th?

A.—Yes, fifty thousand something.

Q.—That fifty thousand might not be part of the same entry?

A.—It is on another line.

Q.—Is there another entry there? There are initials E.E., I remember going over it yesterday, and Mr. Whittaker thought it was E.E. Did you refer to the Province's loans by letters? Is there any entry there? We have one on the 5th, and one on the 7th. Is there another entry around that time in April?

A.—Seventeenth April, Hon. P. Smith, 12.30.

Q.—Just at that point I point out to the Committee that on 5th April there is an appointment in General Mason's diary, Hon. P. Smith, and on the

7th, on the 6th April there is a payment here of \$3,000. On the 6th of April 1923, payment \$3,000 for head office, charge to remittance account.

MR. DOHERTY: There are dozens that do not jibe at all.

HON. MR. PRICE: Yes, I am bringing out all the points. July 7th?

A.—April 17th, there is one, I think, Hon. P. Smith, 12.30; 20th, Hon. P. Smith, 11 A.M.

Q.—On June 7th is there any record—the General Manager was not at the bank at that time?

A.—No, sir.

Q.—Then, Miss Virtue, Mr. Whittaker has sworn here as I told you that he went down from his office on July 27th, 1921, went down to the Toronto office and brought up \$2,500 in an envelope, and that he handed it to, that he went to the General Manager and handed it to the General Manager when Mr. Smith was in the room. Do you remember that transaction?

A.—July 27th, 1923?

Q.—1921? We have a record of it here. July 27th, 1921, of legals being handed, legals, J.C.M., and July 19th would be the date of payment \$2,500—can you tell us anything about whether you were present when Mr. Whittaker came up with that envelope?

A.—Yes, it was in the diary for that day, July 27th.

Q.—July 19th would be the date of payment?

A.—Colonel Mason was not in Toronto on the 19th.

Q.—Was he in Toronto on July 27th?

A.—Yes.

Q.—Mr. Whittaker swore to July 27th as the date, so I mentioned July 27th.

A.—The General Manager was in the office on the 27th.

MR. DOHERTY: Where was he?

A.—In his office.

Q.—He was in the office on the 27th?

A.—Yes.

Q.—Not on the 19th?

A.—No.

HON. MR. PRICE: I think if you will look up you will find Mr. Whittaker swore to July 27th as the date.

HON. MR. PRICE: How do you fix he was not there on the 19th?

A.—He did not return till the 20th. J.C.M. returned to-day.

Q.—You have it there he was not there on the 19th, but was there on the 27th?

A.—Yes.

Q.—Do you recollect about this particular occasion about Mr. Whittaker coming up with the envelope?

A.—I do not recollect, I would not like to say.

Q.—Do you recollect of any other occasion when Mr. Whittaker came up?

A.—I recollect one occasion that Mr. Whittaker went downstairs but cannot tell the date.

Q.—What did he go downstairs for?

A.—Because whoever was to come up, for whatever purpose they were come up, didn't come the time they said they would, they were slow.

Q.—Who was there with the General Manager at that time?

A.—The Hon. Peter Smith.

Q.—Mr. Whittaker says there was only one occasion on which he went

down and brought up money in an envelope. Do you recollect yourself whether there was any other occasion?

A.—I don't know whether he brought it up on that occasion or whether he merely hurried them up.

Q.—Do you recollect Mr. Calvert bringing any envelopes up?

A.—No, I cannot say he brought any up; I did not see him with any.

Q.—When the General Manager went to his house ill, he was there on June 7th and June 13th, did you receive any instructions from him on any of these times?

A.—None whatever.

Q.—You didn't?

A.—Merely attended to his correspondence.

Q.—The Committee are very anxious to know just where this money which has gone to the General Manager—they are very anxious to know whether it remained with the General Manager or whether it went to other parties. Can you give us anything from your knowledge as private secretary which would help us?

A.—I don't know what would help you; I will answer any questions you ask me.

Q.—Did you keep the General Manager's private account?

A.—Yes.

Q.—Did this money here, amounting to \$38,000 over a period from 1921 to 1923, these various items \$3,500, \$2,000, \$2,500 and \$4,000, all these items, did they go into his private account?

A.—No, sir.

MR. DOHERTY: Did the General Manager have accounts outside with brokerage houses you did not keep any record of?

A.—No.

Q.—You do not think so?

A.—No.

HON. MR. PRICE: You kept his personal account?

A.—Yes.

Q.—Did you keep more than one account?

A.—I had access to all his accounts down in the bank.

Q.—Did you make his deposits?

A.—Yes, sir.

Q.—You can see these moneys did not go into his accounts?

A.—I am positive.

Q.—Can you give us any further light on where this money went?

A.—I am afraid I could not.

MR. CURRIE: You had charge of Colonel Mason's accounts and of his bank book, and made out all cheques for him?

A.—Yes, sir.

Q.—How many accounts did he have down in the bank?

A.—One private account.

Q.—He didn't have a broker's account or anything in the bank?

A.—No.

Q.—You do not think he had any account in any other bank except the Home Bank?

A.—I am sure he did not; his estate would prove that, wouldn't it?

Q.—What we are anxious to know is whether he took this cash out that was

given to him and if he put it in any account—you would know, because you were in charge?

A.—He usually handed me any deposit.

Q.—This large sum of money was never put to his account in any bank that you know of?

A.—No, sir.

HON. MR. PRICE: Just so there will be no doubt about the Hon. Peter Smith being in the office. You knew him as the Hon. Peter Smith?

A.—I knew a gentleman as the Hon. Peter Smith.

Q.—Was he a small man or big man?

A.—Big man.

Q.—You say he was in the bank about a dozen times; did you have any conversation with him?

A.—Very little, he passed right in through.

Q.—Passed right into the General Manager's office?

A.—Yes.

Q.—Can you recollect any time when you had a conversation with him, when he was kept waiting?

A.—No.

Q.—I do not want what your conversation was. Do you recollect any time you did have any conversation?

A.—No.

Q.—Was he often kept waiting?

A.—No, very seldom.

Q.—The General Manager was very prompt in his appointments?

A.—Yes.

Q.—And would not be anxious to keep him waiting?

A.—He wouldn't keep anyone waiting.

Q.—Except this time when Mr. Calvert was a little slow coming up?

A.—No.

Q.—You remember that time?

A.—Yes.

Q.—Did Mr. Whittaker phone down to hurry him up?

A.—He went down.

Q.—To get Mr. Calvert to hurry up because the Hon. Peter was waiting?

A.—Yes.

MR. DOHERTY: For that reason?

A.—Yes.

Q.—For the reason the Hon. Peter was there?

A.—He was there.

Q.—Did you hear what the General Manager said?

A.—He was fussing around.

Q.—Because Mr. Calvert had not come up?

A.—Yes.

Q.—Mr. Whittaker went down to hurry him up?

A.—I would not positively say.

Q.—Were there other times that Smith was kept waiting, was the Manager impatient about it?

A.—No, not that I know of. He may have been kept waiting and went down himself. I know he went down himself a couple of times.

Q.—When Mr. Smith was there?

A.—Yes.

Q.—What did he go down for?

A.—I haven't any idea.

Q.—How long would he be down?

A.—Five minutes, long enough to take the elevator down.

Q.—What would he have when he came back?

A.—I never noticed anything.

Q.—He did not discuss that matter with you?

A.—No.

MR. CURRIE: You made out all the cheques?

A.—Yes, for his personal accounts.

Q.—You stated that he had his account in the Home Bank; how many accounts did he have in the Home Bank?

A.—He had one drawing account that I remember and deposited into.

Q.—That was his own account?

A.—Yes.

Q.—Did you draw on other accounts?

A.—Yes.

Q.—Did you have a pass book for the other account?

A.—There wasn't any pass book.

Q.—You have supervision over that account, too, and knew what was in it?

A.—I had nothing to do with it.

Q.—You never deposited any money in it—the account will speak for itself?

A.—He had an account called his S.C. account, from which he drew certain moneys.

Q.—They were none of these moneys?

A.—No, little personal bills; he kept one account for doctors' bills and things like that.

Q.—What about the Canada Central Loan account, did you have that?

A.—Yes, sir.

Q.—You had the pass book of that?

A.—Yes, sir.

Q.—None of these moneys went into that?

A.—I never put them in.

Q.—If there was \$30,000 or \$40,000?

A.—The balance seldom went to a thousand.

Q.—Were there any other besides the Canada Central loan?

A.—No.

Q.—No other companies?

A.—No.

Q.—Did he have an account with Patterson & Company; did he have a pass book with them?

A.—They are not a banker.

Q.—They were not carrying a bank account; it was a brokerage account?

A.—Yes.

Q.—You had charge of that, you supervised that?

A.—I saw the statements when they came in.

Q.—There was nothing in that statement showing this went over to Patterson's?

A.—I do not know.

Q.—You would know if there was \$3,000 or \$4,000 profit from the stock?

A.—I think that account showed an indebtedness.

Q.—It was not what Patterson owed the Colonel, it was what the Colonel owed Patterson?

A.—Yes.

Q.—Did you go up during the time the Colonel was ill, say during the time from June 7th or June 13th, during the time these payments were made were you up at his house?

A.—I may have been taking dictation.

Q.—Were you asked anything about these payments we have covered here?

A.—No.

Q.—Was there anyone there, any stranger there when you were up there?

A.—No, no one I ever knew.

MR. CURRIE: Did you take cash for the house occasionally up to him?

A.—Yes, or send it up with his chauffeur.

Q.—You would take it up yourself?

A.—Yes.

Q.—If he received such large sums of money as were stated here and had it around the house he would not need to get any at the bank, if he was receiving \$3,000 or \$4,000 in legals and bills as the accounts shows; he would not need to send down to the bank to get it from you?

A.—No.

Q.—Did you get everything like that?

A.—He was very particular about his accounts, I mean settling his accounts.

Q.—Richardson and Smith, had you seen them there the same day?

A.—Yes, sir.

Q.—Together?

A.—No, sir.

Q.—They were in the bank on the same day?

A.—Yes.

MR. CURRIE: Was there anybody from the City Hall you knew with Mr. Richardson when he was in the bank, the Mayor or Treasurer? Do you know Mr. Ross of the City Hall?

A.—Only to see him.

Q.—Did you know Mr. Bradshaw?

A.—No, sir.

Q.—Were any of these gentlemen called up with reference to the City Hall balance?

A.—I do not know.

Q.—If there was anything particularly wrong you would surely know. You said you saw Mr. Richardson in the bank; was there anybody with him. Mr. Ross or the Mayor?

A.—No.

MR. DOHERTY: How many years were you private secretary?

A.—Practically five.

Q.—That would be from 1918 to 1923?

A.—Yes.

Q.—Consequently when it got along into 1920 you would be very familiar with all of the private matters and affairs of the General Manager, all of his business, private business affairs—I am not speaking of his domestic affairs. His business affairs would be fairly known to you?

A.—I knew more about his private than domestic affairs.

Q.—His private and domestic affairs, his home affairs would not be particularly brought to your attention?

A.—Everything was paid by cheque.

Q.—As private secretary you handled all of his correspondence?

A.—Yes.

Q.—Made all his engagements?

A.—All he asked me to make.

Q.—Practically all he didn't make himself he had you do that?

A.—Yes.

Q.—In the course of three or four years you became as intimate as any person became with his business transactions in the bank and his home?

A.—Yes.

Q.—He discussed his business transactions fairly fully with you?

A.—He did not discuss them with anyone.

Q.—You were his private secretary all through these years, was there ever anything came to your attention which would put you in a position where you were prepared to swear the General Manager ever passed any money to any person connected with the Government?

A.—Am I to answer this question?

HON. MR. PRICE: Yes.

A.—I couldn't swear that.

MR. DOHERTY: You cannot swear that?

A.—No.

Q.—You cannot swear your knowledge would put you in a position to swear the General Manager passed any money to any person connected with the Government?

A.—No.

MR. FISHER: Did you make deposits for Mr. Mason?

A.—Yes.

Q.—In cash?

A.—Very small ones; he never carried large sums of money.

Q.—Did you ever see him with a large sum of money?

A.—No, sir.

Q.—Ever see him with any large bills?

A.—Nothing over one hundred dollar bills.

Q.—Never knew him to have a bill for \$1,000?

A.—No.

Q.—Do you remember the incident of Mr. Whittaker going downstairs?

A.—You would have to know the Colonel—

Q.—I want to know how you would recall that after all this time?

A.—The Colonel is very fussy and was very exact and if things did not go just right somebody had to pay.

Q.—That happened very often?

A.—Not if I could help it.

MR. MACBRIDE: I notice in the diary you speak of Mr. M. J. Haney being at the bank and on the same day the Hon. Peter Smith; were they there together and Mr. Richardson, Mr. Haney and Mr. Smith?

HON. MR. PRICE: Mr. Haney and Mr. Richardson.

MR. CURRIE: Were they coupled together in the deal? Mr. Haney was manager or a director?

WITNESS: Ex-President.

HON. MR. PRICE: There is something here, I see, that voucher, the appointment actually was made on the 20th of July, 1921, although this is dated 19th. You said Colonel Mason came in on the 20th?

A.—He was here then; I would not have these appointments if he wasn't here then.

Q.—Colonel Mason came in on the 20th, you said, he was not here on the 19th, he came back on the 20th and the voucher shows a payment on the 20th?

A.—He was there on the 20th.

Q.—Although this is dated the 19th it was shown as paid on the 20th?

A.—Yes.

Adjourned till Monday, April 7th, at 8.00 P.M.

PUBLIC ACCOUNTS COMMITTEE

Proceedings of Public Accounts Committee held on the 7th day of April, 1924, at 8.00 P.M., at the Parliament Buildings.

CHAIRMAN—Mr. E. H. Finlayson.

William N. Douglas, sworn.

HON. MR. PRICE: I am calling Mr. Douglas, Chief Clerk in the Treasury Department, to prove certain orders-in-council and statements, so that they may be before the Committee.

Mr. Douglas produces order-in-council, bearing date the 24th of February, 1920. This order-in-council shows that Messrs. Drury, Raney, Nixon, Smith, Bowman, Doherty, Biggs, Grant, Rollo, Mills, Carmichael, were present and that they decided to buy £1,200,000 of three and a half per cent. inscribed stock and £1,640,547 of four per cent. stock, due in 1947, and also an issue of £817,294 bearing four and a half per cent. interest due in 1965.

Order-in-council marked Exhibit No. 123.

Q.—This is a certified copy of the prices of that stock?

A.—Yes, sir.

Q.—In the order-in-council, Exhibit No. 123, the prices to be paid for the 3½ per cent. was 80, for the 4 and 4½ per cent., 90.

HON. MR. DOHERTY: Was that the maximum?

HON. MR. PRICE: Yes, there was only the one price fixed.

Mr. Douglas also produces the prices on the London Stock Exchange at that time.

A.—That is correct.

Q.—The prices that ruled at that time were 66½ for the 3½ per cent. from February to July, for the 4 per cent., 75 to 82, and the 4½ up to 79½.

Statement of Stock Exchange prices, Exhibit No. 124.

Q.—Also the rates through the Bank of Montreal and the circular letters sent out by Lloyds on behalf of Æmilus Jarvis & Co., who purchased the stock. That shows that Jarvis & Co. sent out circulars on the 18th of March, 1920, offering 75 for the 3½, 82 for the fours, and 84½ for the 4½. You will observe the date of the order-in-council and of the circular, and the fact that at the date of the circular the prices were considerably less than the circular offered. But the circular says the ruling prices for the fours was 75 to 77, whereas the Government was paying Jarvis & Co. 90 and Jarvis & Co. offered 82. Lloyd's Bank apparently were agents for the Province of Ontario as well as for Jarvis & Co.

I produce a file of Jarvis & Co. which was produced before the Public Accounts Committee at the other proceedings?

A.—That is correct.

Jarvis file—Exhibit No. 126.

Circular letters—Exhibit No. 125.

Q.—In Exhibit No. 126, Messrs. Jarvis & Co., say in a postscript: "It is understood that no commission is to be paid to us for our services by the Province, our remuneration being obtained through the purchase of the securities and the re-sale at the fixed prices agreed on." That is dated February 19th, 1920, to the Provincial Treasurer.

The thing I want to draw your attention to in these documents is that while the circular letter looks as though the Province were circularizing, because the circular sent out by Lloyds says: "We are authorized by clients to make you an offer to purchase for subsequent cancellation by the Government of the Province of Ontario," it is somewhat indefinite, but apparently is for clients, not for the Province.

Now with those documents and files in the records, you have been asked to figure out what would be the profit to Jarvis & Co. on that transaction. Will you produce your statement?

HON. MR. DOHERTY: If what? If purchased at those prices?

HON. MR. PRICE: Yes, in many cases they purchased for less.

Mr. Douglas produces statement showing the total amounts purchased by Jarvis & Co.

Of the $3\frac{1}{2}$'s, £655,989 bought at 75, sold to Government at 80, spread 5 points, profit £32,799.

HON. MR. DOHERTY: Do you know what they bought at?

HON. MR. PRICE: We cannot tell what they bought at.

Of the 4 per cent., they bought £798,141; the circular offered the holders 82, sold to the Government at 90, spread 8 points or £63,851.

MR. CLARKE: But what did they pay?

HON. MR. PRICE: We will have to show that later. The record has been filed showing the market prices to be less than the circular, they probably bought some lower.

Of the $4\frac{1}{2}$'s, they bought £372,497, circular price $84\frac{1}{2}$, sold to the Government at 90, spread $5\frac{1}{2}$ points, making profit £20,487.

The total profit according to that computation would be £117,138. To make it perfectly clear, that is computed on the difference between the prices offered in the circular letter they sent out and the prices the Government was prepared to pay, and they had the order-in-council before Mr. Jarvis went over.

MR. CLARKE: I suppose Mr. Jarvis could tell what they paid. Have you any evidence of that?

HON. MR. PRICE: We know what they got from the Government, and we know what they offered.

MR. FISHER: Are we clear that the Government paid the prices fixed?

HON. MR. PRICE: Yes, 80 for the $3\frac{1}{2}$'s and 90 for the 4's.

MR. FISHER: If they bought for any less, the Government did not benefit.

HON. MR. DOHERTY: You heard Mr. McGarry the other night say that he knew perfectly well that he could not buy any quantity of this stock at anything like the prices quoted in England; do you agree with that?

MR. DOUGLAS: The prices we paid for sinking fund are there.

HON. MR. DOHERTY: But those are only small quantities, but in larger

quantities, he said the reason he did not go out and buy was because he knew if he started to buy in any quantities the prices would soar away above that.

HON. MR. MCCREA: No, he did not say that was the reason, he said, if he went into the market there would have been some rise in the price.

MR. FISHER: Do you know anything about the quantities sold on the market during the time you are talking of?

MR. DOUGLAS: You mean outside of the Government?

MR. FISHER: You have got some market quotations, can you tell how much changed hands at those quotations?

MR. DOUGLAS: The amount purchased for the Government?

Q.—No, I suppose they were not sold on the Exchange at all. Outside of that. By market quotations, you mean the Stock Exchange?

A.—Yes.

Q.—Then the Stock Exchange would have a record of how much was sold, and the prices sold for?

A.—Yes.

Q.—Have you any record of that?

A.—No, I have the record of the prices we paid at various times on purchases for sinking fund.

Q.—But you understand market quotations may mean nothing, there may not be a sale at that price at all.

HON. MR. DOHERTY: Do you know if Jarvis & Co. bought theirs on the Stock Exchange?

A.—No, I do not know how they purchased.

Q.—If they bought them off the Exchange, would the Exchange records recognize that? For instance, if Jarvis or Lloyds bought these 4's at 85 off the Exchange, would the quotations you have make any reference to that?

A.—I do not think so, I think the quotations relate to transactions on the Exchange.

Q.—And you do not know if Lloyds bought any of these on the Exchange or not?

A.—No.

MR. McCAUSLAND: It was quite evident in this deal that Jarvis & Co. had a firm bid, so they knew that whatever they bought they could sell at a profit.

THE CHAIRMAN: Yes, the order-in-council shows that.

MR. FISHER: Where did you get these market quotations from?

MR. DOUGLAS: From a magazine called "Canada" that is on file in the library.

Q.—Does it show the quantities of stock sold at the quotations?

A.—Yes, it gives sales and prices.

Q.—Can you tell us how much was sold at these prices?

A.—I have not made up those figures, but those were the prices given in that magazine at those dates.

Q.—You know that quotations are usually given for all stocks, even though there are no sales, and sometimes when someone goes to buy he cannot get any at those quotations, or when someone goes to sell, he may not be able to get those prices. Have you any idea how much the sales were?

A.—No, I have not, I think it could be got from the records.

Q.—I think that would be worth having. Where did these circulars come from that were sent out by Jarvis & Co.?

THE CHAIRMAN: They were not sent out by Jarvis, but by Lloyds.

HON. MR. PRICE: They are produced as they came from the Bank of Montreal, our London agents.

MR. FISHER: Have you any evidence whether these are all the circulars they sent out?

MR. DOUGLAS: No.

Q.—You do not know whether they sent out any others or not?

A.—No, sir.

Q.—Do you know whether they bought any at that price?

A.—No, we do not know what prices they paid.

Q.—So that your figures are based on the assumption that they bought at the figures mentioned in the circular?

A.—Yes.

HON. MR. PRICE: Which are above the market in every case.

MR. McCAUSLAND: These were the only people who were in the market at that time, they were making these bids, and they had a bid from the Government on which they could sell the bonds?

A.—Yes.

MR. CLARKE: The point you are trying to show this Committee is that these people bought these bonds at the prices advertised through Lloyds and the prices the Government paid, and made so much money, is that it?

A.—Yes.

MR. CLARKE: How can you do that unless you know what they paid?

THE CHAIRMAN: We have to do one thing at a time.

MR. SINCLAIR: All the members are entitled to examine every witness, but until the Treasurer gets through laying his foundation or his examination-in-chief, I think it would be better if we wait, we will get more information if he goes on and gets his evidence before we ask our questions.

HON. MR. PRICE: Mr. Douglas is the chief clerk in the Department and he has produced certain things; the order-in-council showing the prices the Government was going to pay; the market prices at the time on the London Stock Exchange as given in the publication "Canada"; I am giving you the facts, you can make the argument after. No doubt, there is a probability that the quotations would go a little higher if people started to buy any quantity, but the Government itself was always buying on the Stock Exchange for its sinking fund at somewhere around those prices.

MR CLARKE: But not in a wholesale way like this.

HON. MR. PRICE: They bought £60,000 in a year. Now, we wanted to find out, in addition to the Stock Exchange quotations, what Jarvis & Co. actually offered, so the Bank of Montreal have sent us the prices, which they secured at their London office, these circulars sent out by Lloyds show 75 offered for the 3½'s when the prevailing price was 66½. For the 4's the offer was 82, when on the Exchange the quotations were about 75, and for the 4½ the offer is 84 and the Exchange quotations 78½.

With those figures before him, I asked Mr. Douglas to figure out what Jarvis & Co. would make on the transaction if they bought in accordance with their offer, not at the Exchange quotations, which were from 5 to 8 or 10 points lower. As we go on we will give other evidence but that evidence is before the Committee for what it is worth.

MR. PROULX: Is it clear that they paid the price they quoted?

THE CHAIRMAN: All you have is the London quotations, the prices,

Lloyds Bank offered for Jarvis & Co., and the prices fixed by the Government which they bought for. Jarvis & Co. may have bought lower or higher, but you may get that later on.

HON. MR. DOHERTY: Now, Mr. Douglas, you know enough about finance to realize that the very fact that Lloyds, on behalf of Jarvis & Co., would offer a price higher than your quotations, shows that your quotations are worthless as an indication of what these securities could be bought at?

A.—Of course these are taken from "Canada."

Q.—Well, Lloyds would not go out and offer five or six or eight or nine points higher if they could get them at those quotations, isn't that correct?

A.—Yes, that is correct.

Q.—So the fact that these people in their very first offer, offer so much higher than the prices you have put before us, shows that your so-called market prices are absolutely worthless. Now, this circular is the only one you have?

A.—Yes.

Q.—Do you know if they sent out another circular offering a higher price later?

A.—No, I do not. It was nearly all bought at the same time, in the month of March.

Q.—You know that is done quite frequently, circulars sent out and a bid made, and if that does not bring the stock, further circulars are sent, raising the offer. That is often done, isn't it?

A.—I presume it would be in order to obtain the stock.

Q.—So these quotations are of no value at all in judging what the stock was worth or was bought at? The circular you have produced is no guide as to what they paid for the stock?

A.—I do not know what they paid for it.

MR. McCAUSLAND: The difference in exchange would account for a considerable difference in the price of these bonds?

A.—Yes.

Q.—Also, no matter who bought these bonds, unless they knew the Government was paying a certain price they would not have bought, they did not want the bonds unless they knew they had a sale for them?

A.—They had a price of 80 and 90.

Q.—So it was mismanagement on the part of the Government in not having knowledge of the prices of the bonds that they did not get them at those prices themselves instead of the brokers? In other words, the Government could quite easily have bought them at those prices instead of Jarvis & Co., and made the difference. The Treasurer of the Province of Ontario ought to have enough business sense and knowledge to get the best price for the Province, but instead of that, he allowed the brokers to make an extraordinary rake-off.

HON. MR. DOHERTY: Would you care to give an opinion whether or not these securities were cheap to the Province at the prices they paid, whether or not it was a good investment for the Province to buy them in?

MR. DOUGLAS: I know why they were purchased.

Q.—And you agreed with it at the time?

A.—It was a question of two of the issues being succession duty free.

Q.—And do you not consider it was worth that much to the Province to get them back?

THE CHAIRMAN: That is a matter of opinion, you object to opinions.

HON. MR. BIGGS: Was this offer flat or plus accrued interest, and how were they bought by Jarvis and by the Province?

THE CHAIRMAN: The Province paid with accrued interest, and I suppose Jarvis & Co. bought flat, so there would be that much to the good for Jarvis.

HON. MR. PRICE: On the 1st of April, in order to check up what we had, we asked the Bank of Montreal to wire London: "Please cable me to-morrow, prices Jarvis offered through Lloyds Bank in 1920 for Ontario, 3's, 4's and $4\frac{1}{2}$'s, think the rates were 75, 82 and $84\frac{1}{2}$, are these correct, these are from the circulars we have."

I have this morning the reply:

"Referring to your cable of yesterday, rates quoted by you correct, Lloyds Bank Limited offered them to stockholders on account of Æmilius Jarvis & Co."

Robert Randolph Rogers, sworn; examined by Hon. Mr. Price.

Q.—Your business is?

A.—Brokerage.

Q.—Are you in the brokerage business at the present time?

A.—Yes.

Q.—How long have you been in that business?

A.—About fifteen years.

Q.—What firm were you with in 1919 and 1920?

A.—Æmilius Jarvis & Co.

Q.—How long had you been with them?

A.—I think since about 1914.

Q.—What were the various positions you occupied with Æmilius Jarvis & Co.?

A.—I was salesman for a period.

Q.—During 1919 and 1920, what position did you occupy?

A.—I was manager of the firm.

Q.—In that capacity you would have the supervision of the office and the general business of the firm?

A.—Yes.

Q.—Who were working with you in the firm at that time?

A.—Well, Mr. Æmilius Jarvis was the only member of the firm at that time.

Q.—It was not an incorporated company?

A.—No.

Q.—Who were those working with you, what was your organization?

A.—Mr. Jarvis, Mr. Æmilius Jarvis, Jr., Mr. Harry Pepall, Mr. D. F. M. Sykes and numerous junior employees.

Q.—You were with the firm when this large London deal was carried out in January, February, March and April, 1920?

A.—Well, I do not know, I think Mr. Jarvis went to Europe in April or May of 1920, and I left the firm, October 1st, 1920, but I had nothing whatever to do with the European deal, I was not consulted at all.

Q.—What part did Mr. Sykes have in the business?

A.—Mr. Sykes was my office manager.

Q.—What did that mean?

A.—Well, he looked after the instructions to the bookkeepers and generally after the figuring on the bonds and other detail work. He looked after the general routine of the office.

Q.—What did Mr. Pepall do?

A.—Harry Pepall, I suppose you would call him our sales manager.

Q.—City sales manager?

A.—Yes, I think that would be the right title.

Q.—The records show that Mr. Jarvis went over to the old country with Andy Pepall in February, 1920, you were in the firm at that time, you were their manager, you would know that, wouldn't you?

A.—No, I was not consulted in the provincial deals, except the first deal, it was all left in the hands of Mr. Pepall.

Q.—You apparently were consulted in the first couple of deals, but not in this big deal where Mr. Jarvis went to the old country?

A.—No, I had no connection with that.

Q.—But that business was transacted with your firm?

A.—It was not completed in my time, because I left on the 1st October, 1920.

Q.—Well, the records show that this was completed in April and May, 1920?

A.—No, Mr. Jarvis was in the old country at that time.

Q.—But letters came back and the records show,—here on June 4th are certificates for travelling and other expenses in connection with the redemption of securities in England, fifty days from February 27th to April 17th, 1920, at \$80 per day, \$4,000. That is Mr. Pepall's bill to the Province on June 4th?

A.—They were not back on June 4th.

Q.—Well, it shows that so far as the Province was concerned the deal was concluded by that time.

If you were manager when the Drury Government came into power, there was an arrangement made with the Province as to Government business?

A.—No.

Q.—With whom did you make an arrangement, what instructions did you get or what conversation did you have with Harry Pepall about making arrangement on Government business?

A.—The only arrangement we ever had when I was manager, Harry Pepall had produced his brother Andy to me as a personal friend of the Hon. Peter Smith.

Q.—How do you know?

A.—I only know what Harry and Andy told me, and that they could influence a certain amount of business,—that Andy could, I had him in my office and told him, I would give him a quarter of one per cent.

Q.—That is you had Andy Pepall in?

A.—Yes, Andy came into my office and I talked to him and told him, I would give him one-quarter of one per cent. on any business he could turn our way; of course the price would have to be fixed by us.

Q.—That is Provincial Government business?

A.—Yes.

Q.—Before you made that arrangement with Andy Pepall, you say, you had a talk with Harry Pepall?

A.—Well, Harry, as I remember, came and said that Andy was a very personal friend of Peter Smith and that he could influence certain business for the house and would we be prepared to pay him a commission, and I said, Sure.

Q.—On what?

A.—On anything that he would influence to us at our price.

Q.—That is, if the Government gave you a treasury bill of \$1,000,000, you would pay Andy Pepall one-quarter of one per cent. on that?

A.—If he was in a position to get it at a price we fixed, if we got it at 99.75, we would pay the Government 99.75 and Pepall, one-quarter, and very glad to do it.

Q.—If you got the business at the price you bid, then Andy Pepall got one-quarter of one per cent. on it?

A.—Exactly.

Q.—When was that arrangement made?

A.—Well, of course, I have been out of the firm for four years, but as far as I can recollect, I think it was made shortly after Peter Smith came in, possibly June or July, 1919, somewhere around there.

Q.—Now, Peter Smith did not come in until November 14th, 1919, so if that arrangement were made with Pepall and Peter Smith it would be after that date.

A.—Well, I do not know what the time was, I thought this first time I saw him was in June or July, it may have been some months after.

Q.—Do you remember when the first payment was made under this arrangement?

A.—The first and only payment I remember was a cheque for \$7,500 on a \$3,000,000 purchase.

Q.—Can you fix the time?

A.—No, I thought it was in the summer time.

Q.—Can you tell us how that \$7,500 payment was made?

A.—I made it by a currency cheque.

Q.—Did you draw the cheque?

A.—No, my bookkeeper drew the cheque.

Q.—Who was your bookkeeper at that time?

A.—I do not know whether it was Victor Young or Richard Neville.

Q.—What do you call a currency cheque?

A.—A cheque payable to anybody who presents it.

Q.—When that cheque was drawn what did you do?

A.—That particular cheque, I gave it to Harry, that is the only cheque I have any recollection of.

MR. CLARKE: Made to his order?

A.—I am not sure whether to currency or to Harry's order, I think to currency.

HON. MR. PRICE: Do you know what was done with that cheque?

A.—No.

Q.—Did you give it to Harry?

A.—Oh, I gave it to Harry, yes.

Q.—Did Harry get the cash?

A.—I do not know.

Q.—Did you cash the \$7,500 cheque yourself and give it to Harry?

A.—I do not think so, I do not think the bank would cash a currency cheque for that amount without an endorsement.

Q.—Well, whose endorsement would be on it?

A.—Harry's ought to be if he presented it, and I think he did.

Q.—That cheque was on what bank?

A.—The Canadian Bank of Commerce.

Q.—The head office?

A.—Yes.

Q.—Why was that cheque handed to Harry, this was Andy's commission?

A.—Harry was looking after it.

Q.—Did Harry ask you for the cheque to give to Andy?

A.—Yes.

Q.—Harry asked you for the \$7,500 as commission on the \$3,000,000?

A.—On the \$3,000,000 deal, and I got the cheque and gave it to him.

Q.—Well, you knew it was going to Andy?

A.—I assumed it was.

Q.—That was the purpose of it?

A.—Yes.

Q.—Did you charge it in your book afterward?

A.—I never saw the voucher.

Q.—But you will pardon me being direct; you were the manager of the company, you were arranging for this \$7,500 to go to Andy Pepall, because he had influenced Government business?

A.—As a commission, yes.

Q.—Then why is it you did not make sure that it went to Andy Pepall?

A.—Well, I did not even write the cheque, I simply authorized the book-keeper to issue a cheque for \$7,500, I do not remember now whether it was to H. G. Pepall or currency, I am pretty sure it was currency.

Q.—Did you hand tht cheque to Harry Pepall yourself?

A.—Yes.

Q.—Then do you remember what Harry did with it?

A.—No, I think he went right to the Bank of Commerce and got the cash, that is my recollection.

Q.—If this were an arrangement to pay Andy Pepall, as you have stated, why didn't you draw the cheque to Andy Pepall and be done with it, why would you get it out in cash?

A.—I think that was because Andy did not happen to be there and Harry wanted to get this money for Andy.

Q.—Did you see this cheque when it came back to the office?

A.—I never saw the returned cheque.

Q.—Were there other deals that commission was paid on when you were manager of Jarvis & Co.?

A.—That is the only deal I have a recollection of, because as soon as Andy Pepall came in and started to influence the Province, business matters were really taken out of my hands as regards Provincial transactions.

Q.—Who controlled it then?

A.—Harry did.

Q.—Harry and Andy Pepall controlled the business of Jarvis & Co. as far as the Provincial business was concerned?

A.—They did, I do not think anybody else had any knowledge of it.

Q.—But it went through the books of the company?

A.—Yes, but we were signing cheques all the time.

Q.—What would that \$7,500 be charged to?

A.—I do not know. I imagine it would be charged to Provincial Bond account.

Q.—Would that be in the Provincial Bonds account of Æmilus Jarvis & Co.?

A.—Yes, I suppose.

Q.—Did you ever have a look at that?

A.—No, you see I never looked at the books, I simply gave instructions.

Q.—About what time did you cease to be manager of Æmilius Jarvis & Co., you say you left about October?

A.—Yes, 1920, I ceased management about the 1st of April, 1920, Mr. Jarvis was in the old country, I took the western field and Harry Pepall became manager.

Q.—But this payment you speak of was made before you ceased to be manager?

A.—Yes.

Q.—So it would be made before April, 1920?

A.—Yes, this was the first payment ever made to my knowledge under this commission agreement.

Q.—I see that on December 1st, 1919, the Province put out \$3,000,000, 5½ per cent., and on January 1st, 1920, they put \$3,000,000 more with Jarvis & Co.—you probably remember this?

A.—Well, it would be one of those, and then there would be another cheque on the second, if we got it.

Q.—You would say there is a \$3,000,000 bond issue to Jarvis & Co., there would be one-quarter of one per cent. on that?

A.—Yes.

Q.—Then there is \$3,000,000 on January 1st, there would be one-quarter of one per cent. on that?

A.—Well, I do not know that, the only transaction that I remember was the first commission ever paid Andy Pepall.

Q.—But you made this arrangement to pay Andy Pepall this commission?

A.—Yes, but then it was immediately taken out of my hands, after the first payment.

Q.—So that yours was the first payment?

A.—Their cheque for \$7,500 will show you the first commission that was ever paid to Andy Pepall to my knowledge by Jarvis & Co.

Q.—And after that, Harry Pepall?

A.—And Andy were the outfit.

Q.—Is Andy Pepall the same man who had a room in Peter Smith's home in Stratford and worked out of there?

A.—I understood from Harry that he had, Peter Smith used to be Andy's agent there.

Q.—I thought it was the other way. Peter Smith was Andy's agent?

A.—Yes, for the Delco light.

Q.—And Andy lived for a time at Peter Smith's house?

A.—Yes, he had a room. Andy told me he used to go down and—Peter would take him through the country, selling Delco light, and he would stay at Peter's house.

Q.—I thought you would have some knowledge of this Jarvis deal in the old country, it was a big deal, and you were manager of the company, why wouldn't you have something to do with it?

A.—Well, Andy and Harry were together and for some reason, I suppose, it was not necessary for me to know, the Government business was taken out of my hands. I had no knowledge of the Government business to my recollection after the first time.

Q.—Did you not think it an extraordinary proceeding that you as manager of the company would not have this big deal in your hands?

A.—No, I did not think anything of that nature at all.

Q.—Did this big deal go through the books of the company?

A.—Not in my time; mind you, I had no charge of the office books from the 1st of April to October.

MR. PROULX: In what year was Peter Smith agent for Pepall?

A.—I do not know the year.

Q.—It was before he was Provincial Treasurer?

A.—Oh, sure.

HON. MR. PRICE: Was it this man, Andy Pepall, who said he could influence Mr. Smith and who you made an arrangement with, the same man who was sent to England as representative of Mr. Smith on this deal?

A.—Yes, it is all on the records of the House.

Q.—It is the same man who went over and was paid \$4,000 as shown on the records two years ago when we had him before the Committee?

A.—Yes.

Q.—Do you mean to tell us there is no record on the Jarvis books of this big deal?

A.—No, I am telling you I am not familiar with the big deal in any way, shape or form.

Q.—Do you say there is or is not a record of it on their books?

A.—I do not know anything about the books.

Q.—You were the manager of the company.

A.—Not at that time.

Q.—Yes, in 1920, January, February, March, April, when this deal went through.

A.—Yes, but they left in March or April for the old country to my knowledge.

Q.—Did the money come over from the old country for that?

A.—No.

Q.—On a big deal like that, if the money came over to the office, you as manager would know about it?

A.—Certainly, but I was not the manager.

Q.—Well, occupying the position you did, you would know whether the money came over, whether you had access to the books or not, wouldn't you?

A.—No, because I was working in the western peninsula during the period from April until I left, I was only in the office perhaps two or three hours a week.

Q.—Do you know of any other business that Andy Pepall got for the firm of Æmilius Jarvis & Co.?

A.—No.

Q.—It was only Government business?

A.—That is all.

Q.—And he got this quarter of one per cent. on Government business?

A.—That was my arrangement with him.

Q.—As manager of the firm?

A.—As manager of the firm.

HON. MR. DOHERTY: How long was it after Mr. Smith became Provincial Treasurer that you met this Andy Pepall?

A.—I do not think it was over a month or two.

Q.—This first loan of \$3,000,000 on December 1st was within two months of the time he became Treasurer. These were all twenty years?

A.—I do not remember the maturity, but I know the only cheque issued to Andy was \$7,500.

Q.—Did Jarvis & Co. get this by tender, do you remember?

A.—I do not know whether they tendered or bought by private purchase.

Q.—And on January 1st, \$3,000,000?

A.—I do not know anything about that.

HON. MR. PRICE: None of these were by tender for the first year and a half.

HON. MR. DOHERTY: You made an arrangement with Andy Pepall to pay him a commission?

A.—Yes.

Q.—That is quite a regular procedure for a brokerage house?

A.—Oh, yes.

Q.—That is why you did not pay any special attention to it?

A.—Yes, I never bothered my head about it.

Q.—That was paid out of your firm's funds, not out of the Province's?

A.—Certainly.

Q.—Not out of the Province's?

A.—No.

Q.—And you say it is a regular practice for the brokerage houses to pay a commission for business?

A.—Yes, if you brought us some business I would pay you a commission.

Q.—You have paid dozens of others?

A.—Yes.

Q.—You only paid the one, do you not think it was on the January 1st issue?

A.—I am not sure, but it was the first issue that Andy Pepall ever brought to Æmilius Jarvis & Co.

THE CHAIRMAN: And at your own price?

A.—At our own price.

Q.—Do you remember what price it was?

A.—No, but I remember the cheque, because after that I had no further connection with any disbursements in connection with the Government.

HON. MR. DOHERTY: But it would more likely be the January 1st issue, and there was only one, because if there had been commission on both the cheques would have gone out before you gave up the management?

A.—Yes.

Q.—So it must have been on only one?

A.—Well of course, other parties were signers besides myself. The reason I remember is, that it was the first time we ever paid out a commission of any such sum as that, and it was just after my arrangement with Andy Pepall, that is the only reason I have for recollecting that cheque.

MR. FISHER: When you bid on or bought bonds who fixed the price?

A.—When we tendered?

Q.—Yes.

A.—Well, we usually consulted.

Q.—Who?

A.—Either myself, Mr. Jarvis, sometimes Mr. Pepall, sometimes called Æmilius Jarvis, Jr., sometimes I bought them myself.

Q.—Who did on this occasion?

A.—I do not know.

Q.—Have you any idea how it was fixed?

A.—It is based on the market.

Q.—Who would give you the particulars of the issue?

A.—The Provincial Treasurer would advertise, or else one would get a special advice that he had bonds for private issue.

Q.—Do you remember what happened in this case?

A.—I do not remember. The only thing that draws my attention to this matter was that it was the first cheque, and the first following my arrangement with Pepall.

Q.—Do you know Mr. Smith, the Treasurer?

A.—I met him once.

Q.—When was that?

A.—In his office, I do not remember when, I suppose after he had been there about half a year.

Q.—When you were manager, I suppose?

A.—Yes.

Q.—Did you go to see him on business?

A.—Yes, he telephoned me that he wanted to discuss an issue of bonds, and I went up there with Mr. Jarvis, Jr. It was a question of whether we would bring out five year bonds or ten year bonds.

Q.—And what was done?

A.—I do not know, I think it was five year bonds brought out after that.

Q.—Did you buy them?

A.—I do not think so. I think it was a syndicate. Have you an issue of five year bonds there?

HON. MR. PRICE: Yes, Æmilius Jarvis & Co. bought \$5,000,000 five year bonds on March 1st, 1920, due March 21st, 1925 at 100.65, at a rate of 5.35 or with exchange 7.672 to the Province.

MR. FISHER: So you did buy them, is that right?

A.—No, I do not know that those are the bonds, they may have been another lot.

Q.—Is there anyone that knows any more about these transactions than you?

A.—Oh, yes, I was only there a couple of months during Peter Smith's period.

Q.—During the time you were there, would anyone know more?

A.—Harry Pepall would know all about it.

Q.—Is he here?

A.—He is in the city.

Q.—Where else did you see Mr. Smith?

A.—That is the only place to my recollection that I ever met Mr. Smith.

Q.—Who took you there?

A.—No one took me, I took Mr. Æmilius Jarvis.

Q.—Without any introduction?

A.—No, I think in the first place, Andy Pepall had told him to get hold of me if Harry was not in town, Harry happened to be out of town.

Q.—What do you know about this Delco Light business?

A.—Nothing at all, just what Andy told me.

MR. McCausland: The commission was coming to Andy Pepall?

A.—Yes.

Q.—And you gave it to Harry?

A.—Yes.

Q.—Why was that done?

A.—Andy was not in the office and Harry said he would get him the cheque.

HON. MR. MCCREA: I would like to read you a letter of February 21st, 1920, to the manager of the Bank of Montreal, London:

"Dear Sir: Will you please have prepared at the earliest possible moment and hand to my representative, Mr. A. H. Pepall, a complete list of the present holders of our outstanding sterling debentures maturing in 1946, 1947 and 1965, with their names and present addresses. Yours truly, Peter Smith, Treasurer."

Q.—Did you know anything of an arrangement made between Hon. Peter Smith and A. H. Pepall, concerning these sterling debentures?

A.—Nothing at all.

Q.—I read you another letter of the same date:

"To whom it may concern. Mr. A. H. Pepall is proceeding to London as my representative with Mr. Jarvis, who goes there for the purpose of negotiating the purchase of our outstanding sterling debentures maturing in 1946, 1947 and 1965, amounting in all to approximately £3,657,000. A. H. Pepall has full authority to act on my behalf as the Treasurer of the Province of Ontario, in carrying out the proposed arrangement and in making any necessary agreements with any bank or banks or others in connection therewith. Yours truly, Peter Smith, Treasurer."

Q.—Did you know anything of that arrangement?

A.—Not a word.

Q.—Was Harry Pepall in that?

A.—No, he remained in Toronto.

Q.—You are not familiar with the particulars of Mr. Jarvis's visit or Mr. Pepall's?

A.—No, I was not familiar with that transaction at all.

MR. MCKEOWN: Have you any evidence in your office that Andy Pepall ever got this commission?

A.—No, as I say, I gave Harry this cheque.

Q.—But according to your arrangement you owed that to Andy Pepall. As a business concern have you any evidence in your office that Andy Pepall ever got that amount?

A.—No, I do not not believe there is,—it is not my office.

MR. CLARKE: Has he ever claimed it since?

A.—No.

HON. MR. PRICE: Did Andy Pepall tell you later that he had got it?

A.—No, he told me he had not.

HON. MR. DOHERTY: Jarvis & Co. would have the cheque?

A.—Yes.

HON. MR. MCCREA: Had you an interest in the firm at the time of that transaction?

A.—I had a salary and profit account.

Q.—You had an interest in the volume of business?

A.—I always got a bonus, I had an understanding with Mr. Jarvis. Then I formed the firm of Æmilius Jarvis Limited just after this.

Q.—You did not go into that?

A.—No.

Q.—Did Harry Pepall?

A.—Yes.

HON. MR. PRICE: Do you know what interest he had?

A.—No.

Q.—Why didn't you go in?

A.—Well, they asked me, but I did not want to, I wanted to make another connection.

THE CHAIRMAN: This \$3,000,000 issue, there was no competition for that?

A.—I do not remember, I only remember this one issue.

Q.—This one on which you paid the \$7,500 commission, you fixed your own terms?

A.—Oh, absolutely.

Q.—And that is what the commission was for, I mean the commission was paid because through his influence you were able to fix your own price?

A.—Yes, my understanding with him was that we would take any bonds that he could get for us, providing we fixed the price.

Q.—Without competition?

A.—Yes, naturally we would consider the one-quarter per cent.

MR. CLARKE: In your experience with the firm did you pay anyone else one-quarter of one per cent. for getting any bonds?

A.—Not for any business.

Q.—You mean this is the only case?

A.—That is the only case we ever distributed a commission.

Q.—Why did you do it in this case?

A.—Well, you naturally understand if you were a friend of the Provincial Treasurer and you came to me and told me you could influence him to sell bonds at a figure that is a fair price to the Province, I would be only too glad to pay your commission.

Q.—Do you think Andy Pepall had influence enough to fix that price without competition so that you would get a better price than you would if he had not been in the game?

A.—No, we were always prepared to pay the Province the market, what we considered the market, on its bonds. If Andy could get those bonds for us at the price we considered them worth, we were glad to give him one-quarter of one per cent.

Q.—But it was just through his influence with Peter Smith, there was no competition?

A.—No, I do not think Peter Smith would award us bonds unless he got prices from other houses.

Q.—My point is, I understood you to say, this man Andy Pepall knew the Provincial Treasurer and thought he could get some business for the firm, and you said, "All right, Andy, go ahead, get all the business you can at our figures and we will give you one-quarter of one per cent." Is that your bargain?

A.—Yes.

Q.—Your idea was that Andy could get that where you could not. Is that right or wrong?

A.—I would not pay him a quarter of one per cent. if he could not get it.

Q.—Well, was it that he could get it where you could not?

A.—Yes.

Q.—And he did get it?

A.—Yes.

THE CHAIRMAN: And without competition, you had no competition?

A.—How do you mean?

HON. MR. DOHERTY: Will you swear the Provincial Treasurer did not telephone other bond houses?

A.—I think he probably called every bond house in Toronto, and if our price was the same and Andy was a friend of his,—

Q.—That was the usual practice in disposing of Provincial bonds, wasn't it?

A.—It has been for years.

Q.—They would telephone around to all the bond houses and get their prices?

A.—Yes.

Q.—And you made your offer, do you remember if it was a written offer?

A.—As I say, I have no recollection except the first deal, if I were doing it, I would say, I will pay, say 96½ for the bonds if you can get them; if he got them I would pay him one-quarter of one per cent.

Q.—So it is not correct to assume that you got these bonds without competition?

A.—No.

Q.—There is just as good a form of competition without public tender as with it?

A.—Sometimes you can get a much better price that way.

THE CHAIRMAN: Did you ever pay anyone a commission for provincial business before?

A.—Not in my time.

Q.—You have never known a commission to be paid for provincial business?

A.—No, I never have.

MR. MACBRIDE: You actually issued instructions for \$7,500 to be paid to Andy Pepall?

A.—A cheque was issued for \$7,500, I do not know whether to currency or to Mr. Pepall.

Q.—What for?

A.—Commission on the purchase of \$3,000,000, Province of Ontario bonds.

Q.—For influencing the Provincial Treasurer to turn the bonds to your house, isn't that the fact? What was that \$7,500 of the people's money for?

HON. MR. DOHERTY: It was not the people's money.

MR. MACBRIDE: You gave this man a cheque for \$7,500, what did you give him that money for?

A.—I gave him that money as a commission on this purchase.

Q.—For influencing?

HON. MR. DOHERTY: No.

A.—I don't know about influencing.

MR. MACBRIDE: Well, what did you do it for?

A.—I would do the same with you if you were a friend of our friend, I would say, "If you can get me some bonds at a certain figure, there is my price, will give you a quarter of one per cent."

Q.—Well, was it for influence?

A.—I don't care whether it is influence or not as long as you get me the bonds.

HON. MR. PRICE: On these purchases by Jarvis & Co., there was no competition, that is, there was no advertisement published in the papers, no regularizing. I do not know what the Department did in the way of consulting, they may have consulted a good many.

Alex. Ross, sworn; examined by Hon. Mr. Price.

Q.—When you were examined some time ago, we did not have certain information about Home Bank affairs that we have now.

What position did you hold in the Home Bank during the years 1919 to 1923?

A.—I joined the Home Bank on April 15th, 1919, as a junior. From then until about the beginning of the next year I was practically a junior. After that, from January, 1920, to October, 1920, I was assistant accountant to Mr. Fleming, and from then until June of last year, I was manager of the department.

Q.—Would you sign cheques as accountant in that department?

A.—I would countersign them.

Q.—Do you recollect a cheque, dated December 15th, 1919, made according to what the stub says to the Hon. Peter Smith, Provincial Treasurer, for \$15,000?

A.—No, because at that time I would not have anything to do with it at all.

Q.—About what was the first date when you had any power to sign cheques?

A.—I had power to countersign practically from the time I went there.

Q.—Did you countersign this \$15,000 cheque?

A.—I do not imagine I would, because Mr. Mogridge was the accountant at that time and Mr. Fleming the manager and unless one of those gentlemen was absent I would not have authority to sign.

Q.—Can you, as a matter of fact, recollect signing a cheque for \$15,000, dated December 15th, in favour of the Hon. Peter Smith, Provincial Treasurer?

A.—No, I cannot.

Q.—Can you say you do not recollect anything about it?

A.—I do not recollect anything about it at all.

Q.—Do you recollect signing any other large cheques?

A.—Yes, I believe I had something to do with some cheques that went through later on instructions from head office.

Q.—But before this time, did you have anything to do with signing big cheques?

A.—No.

Q.—Then after this time what cheques did you sign?

A.—I may have had something to do with signing large cheques later on I cannot say which ones.

Q.—What would those cheques be for? We have a record here of certain commissions on certain treasury bills and loans being paid, did you know anything about those, did you sign those cheques?

A.—I may have, if you let me see the cheque.

HON. MR. DOHERTY: You would only have a knowledge of cheques through the bond department, not through the bank?

A.—Yes, bond department only.

HON. MR. PRICE: Can you recollect signing any cheques for commission on loans or treasury bills taken up by the Home Bank for the Government?

A.—No, I cannot.

Q.—We have a record here on May 15th, 1920, of a cheque being paid and charged to general expense \$1,000, it had the endorsement of J. C. Whittaker and was charged up to the provincial loan from May 15th to November 15th 1920. Do you recollect that?

A.—Yes, I do.

Q.—Did Mr. Whittaker get that money?

A.—My recollection is that I made the cheque out myself and turned it over to Mr. Whittaker. If you show me the stub I can tell whether it is my writing (stub shown); that is my signature on it.

Q.—It is signed by W. R. Fleming, bond department, and you counter-signed it and it is noted here as "Expenses *re* sale \$3,000,000 Ontario Six Months Treasury Bills." Can you explain that?

A.—The only explanation I can give is that Mr. Whittaker came and requested that that cheque be made out and turned over to him.

Q.—Would you get it cashed for him?

A.—No, we would turn it over to him personally.

Q.—You were one of the officials in the bond department? W. R. Fleming was the manager and at that time, June 8th, 1920, what was your position?

A.—Accountant.

Q.—What did you understand that \$1,000 cheque to be for?

A.—We were merely carrying out head office's instructions that the cheque be made out to general expense and turned over to them, we were not given any explanation what it was for.

Q.—But you were apparently issuing on the same date a large cheque to the Treasurer of the Province of Ontario and this cheque was issued at the same time to general expense?

A.—General expense is a head office account and our instructions were to make it out to that account.

Q.—Then although you signed this cheque and it was handed over to Mr. Whittaker, you did not follow what happened to it?

A.—No, we would not have any check on what happened after it left our department, it would be cashed by whoever got it and the cheque would come back in the ordinary course.

Q.—(Cheque referred to is Exhibit No. 89.) In the Bond Department of course you want it make a profit, wouldn't you charge this up—

A.—It would be charged up as expense against that sale of Treasury Bills.

Q.—Here is one of July 28th, 1920, \$2,000 shown as general expense?

A.—That would be the same.

Q.—That was signed by Mr. Whittaker. I do not quite follow that, why didn't you sign it?

A.—I may not have been there.

Q.—Has Mr. Whittaker power to sign?

A.—Yes, he was general supervisor, he could sign in any department of the bank.

Q.—Here is another one signed by you, November 30th, 1920. General expense on 6 per cent. Treasury Bill, dated October 15th, 1920. Did you get that cashed?

A.—No, not that I know of.

Q.—We are trying to trace how this general expense money went.

A.—The only explanation I can give is that we were acting on the supervisor's instructions, cheques were issued on that account and turned over to him.

Q.—Would these always be turned over to the supervisor?

A.—Always to the supervisor.

Q.—Did you turn any of these over to Col. Mason direct?

A.—No, sir.

COL. CURRIE: Did you show Mr. Ross that stub of Peter Smith's?

HON. MR. PRICE: Yes, before you came in.

COL. CURRIE: How do you account for that cheque being lost?

A.—I do not know, any employee of the bank would have access to any papers of the bank, anybody could take it out if they wished.

Q.—How is it that was the only one taken out?

A.—That is something I know nothing about.

Q.—You were in charge of the department on which that cheque was made?

A.—I was not in charge at that time.

Q.—Well, you were in the department?

A.—Yes.

Q.—Was that cheque taken out with your knowledge?

A.—It was not. I say any person in the institution would have access to those cheques and could take them out if they wished.

Q.—Do you mean to tell me that every Tom, Dick and Harry in the bank had access to the vouchers?

A.—Yes, absolutely. The vouchers are filed by juniors and they must be able to get them when required.

Q.—You must have had a lot of smart juniors?

A.—Well, I am not saying it was done by juniors.

Q.—Did you know that cheque was a very important cheque?

A.—No more than any other cheque of the department.

Q.—You say that cheque came through to your department?

A.—Yes.

Q.—It would make a hole in your profits wouldn't it?

A.—Yes.

Q.—What did you think of it?

A.—I did not think anything of it at all.

Q.—Did you think it strange if the Treasurer of this Province cashed a cheque for \$15,000 and got legals instead of putting it in the Treasury up here?
(No answer).

MR. CLARKE: What has that to do with the bank?

COL. CURRIE: The cheque was made out in the name of the Hon. Peter Smith.

MR. CLARKE: We do not know that.

COL. CURRIE: The stub says it was. Would the stub be made out that way without the cheque being in the same name?

A.—I would not think so.

Q.—Who made out that cheque?

A.—From the writing it looks like Mr. Mogridge, the accountant at that time.

Q.—And the cheque was recorded on the stub as being for Peter Smith, the Treasurer of the Province?

A.—Yes.

Q.—When did you see this stub first?

A.—I would be likely to see it at the time it was made up; if I was in the department I could look at the books at any time.

Q.—Did you find out if that was credited to the department any place afterward?

A.—It would be charged up to the Province in our department. I would not know whether it ever got to the Provincial department or not, we would not need to know.

Q.—Well naturally when the cheque was cashed it was charged against your department?

A.—Yes.

Q.—And naturally you would make an entry against the Province and send the slip up to the other department wherever the account was; did you do that?

A.—I had nothing to do with the books, but I imagine that was the procedure.

Q.—It has never been charged, the books do not show that was charged against the Province at all.

THE CHAIRMAN: He is getting mixed up with his department. You would not charge that against the Province, you had no account.

A.—We have an account for every class of security that goes through our office, it would be charged to that particular account, in that case, to the Province of Ontario Treasury Bills, the particular issue.

MR. McKEOWN: It was charged to the bond account but never credited to the Province.

COL. CURRIE: The cheque went through and you paid the money?

A.—Yes.

Q.—Now who failed in the bank to charge that cheque or give credit to the Province for it, whose duty was it to make that charge?

A.—It certainly was not ours.

Q.—You were not in charge of that department, you were second in command. Now there is a cheque issued against your department for a large sum payable to Peter Smith, that cheque came back to you and it should by rights have appeared in the bundle of cheques here, but that particular one is missing. Now when you got that cheque back, had you anything further to do with it, did you enter it up to be charged or credited to the Province? Let us understand the procedure.

A.—Our entry would be made off the cheque stub against that particular Provincial account. When the cheque came back it would merely be checked off against the stub to see that everything was all right, and filed by the clerk.

Q.—So, whoever made out this cheque would immediately charge it in the Provincial account?

A.—Against that particular security, yes.

Q.—This was not a particular security, it was a straight transaction.

A.—There was an explanation on that cheque that it was for a certain class of security, it would be charged up against that security in our books.

MR. PROULX: This \$15,000 was a refund on a particular deal with the Province?

A.—Well, that was the knowledge we had of it, that was what we were told in the department, we do not know what head office officials would do with it, why they got it.

MR. McKEOWN: You told Col. Currie a moment ago that the books would be entered in accordance with the stub and when the cheque came back it would be checked off on the stub to see that everything was all right?

A.—Well, it would be checked with the stub but we would not know who got it.

Q.—But the cheque would be checked off in accordance with the stub?

A.—Yes.

Q.—And that was done?

A.—That was done.

Q.—That would indicate that the cheque when it came back corresponded with the stub, no matter who got it?

A.—Yes.

Q.—So we are justified in saying that the cheque when it came back corresponded with the stub produced?

A.—Yes.

COL. CURRIE: On December 15th the stub "Hon. Peter Smith, pay to Provincial Treasurer, rebate re \$4,000,000 Province of Ontario bonds." Now that would be charged up against the profit you made on the bonds?

Q.—Yes.

Q.—You had an account in your Department with those bonds?

A.—Yes.

Q.—And that account was showing a profit so you charged this up against that account?

A.—Yes.

Q.—And that is the only place where it would appear in the bank?

A.—Yes, in our books.

Q.—How would the Province get credit for that, no other way except through that cheque? Wouldn't it be the duty of someone in your bank to notify the Province that you had paid out \$15,000 which should go to the credit of the Province?

A.—But you see that cheque was made out that way on instructions from head office and would be turned over to a head office official. The Bond Department would have no knowledge of what happened to it after it left our hands.

Q.—You knew very well what was going on, who was to get that extra one and a half per cent.?

A.—We had no idea in our department.

Q.—You knew something was irregular on this account. What were your instructions?

A.—Exactly what appears on that stub, that it was a rebate to the Province.

Q.—To the Province or the Provincial Treasurer?

A.—That is what it says on the stub, isn't it?

Q.—But did you feel that it was a rebate to anyone else than to the Province?

A.—Well, that is not our business the question where it goes.

Q.—You saw that cheque was drawn in legals, when you got it in?

A.—No, I cannot say that I did.

Q.—Do you remember filing it or seeing it after it came in?

A.—I do not remember ever seeing the cheque, it would probably be filed by the stenographer.

Q.—Who was the stenographer?

A.—I don't know. We had several.

Q.—Nearly everyone but yourself has gone to California or somewhere. Now try and help the Committee out.

A.—I have no particular reason for going to California.

Q.—Well, let us find out who the stenographer was.

A.—I could not say. I did part of it myself, and we had several girls in there, I cannot tell who would be on the staff at that particular time. You could find out by consulting the staff records of the bank.

Q.—The staff record would show the young lady who filed that cheque.

A.—No, it would show who was employed as stenographer at that time.

Q.—And you say the ladies file the cheques away?

A.—Not always, sometimes the juniors.

Q.—Who were the juniors?

A.—I was one myself at one time.

Q.—You say you did not file it?

A.—I cannot remember.

MR. MACBRIDE: Who made out the cheque?

COL. CURRIE: Mr. Ross says it is Mogridge's handwriting. Where is he now?

A.—Los Angeles.

Q.—Now who else was in the office, you remember, your memory cannot be quite that short. You are a young man with an active mind and a good memory and you know very well who was in the office at the time.

A.—There was Mr. Fleming, and Mr. Mogridge—

Q.—They are all gone?

A.—No, Mr. Fleming is in town, he can be got any time.

Q.—Who else?

A.—Myself and a stenographer.

Q.—Who was the stenographer?

A.—Miss Crothers.

Q.—Where is she?

A.—In Toronto now as far as I know.

Q.—I suppose she would know pretty well about filing the cheques. Was she on the books as well as stenographer?

A.—She handled the correspondence, she would not necessarily handle those cheques.

Q.—But she might handle the cheques?

A.—She might.

Q.—It might be worth while to find out what she knows. What is her address?

A.—As far as I know it is 64 Dixon Avenue.

Q.—You have not talked the matter over with her since that time?

A.—No, I have no particular reason to.

Q.—We assume that you want to make this thing clear to the Committee and I am not cross-examining you as a hostile witness at all, I want you to tell the whole story. Now you say Miss Crothers and Mr. Fleming. Have you talked it over with Mr. Fleming?

A.—No, I have not talked to Mr. Fleming. I have no particular reason to say anything about it to him.

Q.—Is he under indictment?

A.—No.

Q.—You are not under indictment?

A.—No.

Q.—Is there anything else in connection with this thing that you would like to tell the Committee? Will you swear that there is nothing else in connection with this matter that you have not told the Committee and made a clean breast of?

A.—Absolutely, I know nothing else.

Q.—You have opened up and told us everything?

A.—Absolutely.

Q.—You were not mixed up in any of these transactions with Mr. Smith or Mr. Mason?

A.—No.

Q.—Mr. Mason didn't come into your department and draw any cheques for legals?

A.—I did not get that question.

Q.—We have had evidence that somebody drew some money out of the bank, presumably the General Manager, to boost the deposits. You had nothing to do with the deposits, had you?

A.—Nothing whatever.

Q.—Did you handle any of the City of Toronto bonds about that time?

A.—No.

Q.—And you do not know anything more about this Peter Smith cheque?

A.—No more than I have told you.

Q.—You assumed when that cheque went through that that money was coming up to the Legislature here?

A.—That is what we would assume in the department, that is what we were told by head office.

Q.—Who told you from the head office?

A.—I cannot say. But that is the instructions we were given.

Q.—Before that cheque was issued someone must have gone to your department and told you to issue that cheque as it is issued now?

A.—Yes.

Q.—Verbal instructions?

A.—Yes.

Q.—It would be instructions from either the supervisor or the general manager?

A.—Yes. No one else had authority.

Q.—You would not charge that \$15,000 up in your books without a bona-fide cheque being issued?

A.—No.

Q.—That came from your profit in that department?

A.—Yes.

Q.—And it was charged against you?

A.—Yes.

Q.—And in making up your accounts for the head office, you charged that up?

A.—Yes.

Q.—And if there had been anything wrong about it they would have been down on you about it?

A.—Oh, absolutely.

MR. PROULX: Was that cheque made payable to the order of the Hon. Peter Smith or to bearer?

A.—I cannot tell that, without seeing the cheque you could not tell.

Q.—Do you remember seeing the cheque?

A.—I do not.

Q.—Is it possible that it might have been payable to bearer or cash or currency?

A.—It might have been, a man can make out a cheque and write anything on the stub he wants to.

THE CHAIRMAN: Did you ever know that to be done?

A.—No, I have not, but it is possible.

Q.—Was that ever done in your department?

A.—Never to my knowledge.

MR. FISHER: Where was it charged?

A.—Charged against this particular bond account.

Q.—Where would that account be?

A.—In the bond department books.

Q.—What particular books?

A.—In our ledger and cash book.

Q.—Where would that book be now?

A.—In charge of the liquidator.

Q.—Can we have that book?

THE CHAIRMAN: You had it here.

HON. MR. PRICE: The liquidator went in the box and produced this and said he had made a thorough search and had not been able to find a cheque.

THE CHAIRMAN: He said that not only the stub but the journal showed that it was for Peter Smith.

MR. FISHER: Well, I am asking if it is possible for the Committee to see that book.

THE CHAIRMAN: Yes, surely, he had the books here and left a copy.

MR. FISHER: Would you be good enough to ask him for it again?

MR. CLARKE: You said that on December 15th, 1919, there was entered in the stub a cheque for \$15,000 with a memo to Peter Smith. Is that right?

A.—Yes.

Q.—Do you remember when Mr. Peter Smith became Treasurer of the Province?

A.—I know it was in the fall of 1919.

Q.—This cheque for \$15,000, after cleaning up the bond deals it looked to be a balance of \$15,000 that was not closed up, so this surplus was coming to the Province. Now I presume this was on a flotation previous to the time of Peter Smith, is that right?

THE CHAIRMAN: Yes, that is in evidence.

MR. CLARKE: Now this \$15,000 cheque has gone astray; it is entered in your books but not credited to the Province of Ontario, there is nothing in the Province's books to show it.

THE CHAIRMAN: That is right.

MR. CLARKE: You told us a moment ago a man could write a cheque different from the stub, but that cheque would have to be sanctioned by your general manager or someone in authority and either made to order or the endorser known to the teller before he would cash it?

A.—Oh, yes.

Q.—So someone got that money that the bank knew who got it. Now what appears to me as funny is if the late Treasurer of this Province was a party to a steal in any shape or form, within one month after becoming Treasurer of the Province, if he did that he would steal \$10,000,000 before he got through, and I don't believe it.

HON. MR. PRICE: On the stub of this cheque dated December 15th, 1919, you find "Hon. Peter Smith, Provincial Treasurer, rebate re \$4,000,000 Province of Ontario bonds, \$15,000." If the cheque were made out as the stub indicates it would be made out to the Hon. Peter Smith?

A.—Yes.

Q.—If it were not made out as the stub indicates what would the words "Hon. Peter Smith" be placed on the stub for?

A.—I cannot say.

Q.—It must have been one of two things, either it was made to the Hon. Peter Smith or to cash. If it were not made out to the Hon. Peter Smith why put his name on the stub?

A.—It was probably made out to Hon. Peter Smith. The statement I made before was that it could be done, a man could put anything he likes on a stub.

Q.—If it was made out to cash and Hon. Peter Smith's name put on the stub, it would rather look as if the Hon. Peter Smith got the cash?

A.—Yes, as far as I know.

Q.—But these various stubs as far as you know are correct?

A.—Absolutely, as far as I know.

Q.—You would have no object in making wrong entries in the stub of the book you were going to keep yourselves?

A.—No, we would have no object.

Q.—You did not think your bank was going to fail when you made out these cheques?

A.—No.

MR. CLARKE: Would Peter Smith or anyone in his employ have any chance to get in and get that cheque out of the bank after it was cashed?

A.—Absolutely none.

COL. CURRIE: Supposing the cheque instead of being made out to Peter Smith was made out to cash, would there be any inducement to anyone to steal that cheque out of the bundle, it would not have any signature on it to convict anyone?

A.—Yes, it would, the teller is bound to get an endorsement on every cheque or debit that goes through his hands, he would not have authority to issue the cash if he did not.

Q.—Do you mean to say that any cheque that went through your bank in that way made out to cash or bearer would have to have an endorsement?

A.—Absolutely.

Q.—Is there any way or manner in which that cheque could go through without an endorsement on it?

A.—None.

Q.—Then the man who got that cheque, no matter who he was, would have to endorse the cheque. You do not issue cheques of that kind as crossed cheques?

A.—No.

Q.—If it was crossed it would have to be put through his bank account. So whoever got that money must have had to endorse that cheque?

A.—I would think so.

Q.—If a man was handed that cheque and it was just a charge to cash and he could put it through without having to sign it and it got into the bundle he need not bother any more what happened to it, need he, because there was nothing to incriminate him?

A.—The teller would be very foolish to issue any man money without getting his endorsement and knowing who he was; they do not do that.

HON. MR. DOHERTY: This cheque stub says this was a rebate on Province of Ontario bonds. Mr. Clarkson in his evidence a few nights ago stated that

this was not the first payment that was made by way of rebate on Provincial bonds by the Home Bank.

HON. MR. PRICE: He did not state that, this was the only rebate.

HON. MR. DOHERTY: He stated that there was forty thousand dollars odd paid in September, 1919, as a rebate on loans.

HON. MR. PRICE: That was in suspense account.

HON. MR. DOHERTY: The same thing. \$42,000 paid in September, 1919, by way of rebate on Province of Ontario bonds and it was charged to suspense account.

A.—It was merely a transfer from one department of the bank to another. That would not necessarily be a rebate on bonds.

Q.—Well, there was \$40,000 odd paid in September, two months before the late Provincial Treasurer came into office on these same bonds. That cheque did not go to Peter Smith, that is sure?

THE CHAIRMAN: It was not a cheque at all.

HON. MR. DOHERTY: It was a rebate, because he said it was an understanding that was had with the bank that anything they made over one-quarter of one per cent. would be returned. Now there was no understanding on record. That \$42,000 he stated went to the general manager of the bank and the general manager checked it out in legals. That is away back in September. Now we come along to December 15th, a month after Peter Smith comes in as Treasurer, and there is a cheque issued for \$15,000. On the stub is put the name of the Hon. Peter Smith. Are you prepared to swear that cheque was issued or made out exactly the same as the stub?

A.—I cannot say because I did not make out the cheque.

Q.—You are not prepared to swear that there was ever a cheque went through for \$15,000 to Hon. Peter Smith?

A.—No.

Q.—Now this cheque disappeared, the only man who could have access to that cheque is some official of the bank, isn't it?

A.—Yes.

Q.—If the cheque was made out different from the stub and someone in the bank got that money, don't you think he would be the man who would want that cheque to disappear, he would have to sign his name on it, wouldn't he?

A.—Yes.

Q.—He would be the man who would want that cheque to disappear?

A.—Yes, I would think so.

Q.—And no one outside of the bank could have got access to that cheque?

A.—No one outside the bank.

COL. CURRIE: You said that some \$40,000 was issued on a cheque.

THE CHAIRMAN: No, transferred to suspense account.

COL. CURRIE: You do not know anything about that transaction, do you?

A.—No, sir.

Q.—You do not know anything about this transaction?

A.—I only know that \$15,000 cheque was made out.

Q.—These stubs were made out by you or someone else in the bond department?

A.—Yes.

Q.—Now I see some check marks on here, does that mean that that cheque came back and you would always compare the stub and the cheque together?

A.—The usual practice was to take each entry as made in the books,

and then make a cross mark with a crayon on the stub when the cheque came back.

Q.—We see on this two marks. There never was a cheque of this kind issued from your department but what the stub and the original cheque were compared to see that they did not raise the cheque, isn't that right?

A.—Yes.

Q.—Supposing a man got a cheque for \$15 and raised it to \$15,000, the only method of finding it out would be by checking the cheque and the stub?

A.—Yes.

Q.—So the cheque and the stub must have been compared?

HON. MR. DOHERTY: As to the amount.

COL. CURRIE: If there was anything wrong with the cheque there would not be these two check marks on the stub?

A.—I would not think so.

Q.—If Col. Mason wanted to take money out of the bank on that account at any time himself he had a perfect right to do it, hadn't he?

A.—Absolutely.

Q.—He would not need to go to the trouble of issuing a cheque to Peter Smith and then go down and sign Peter Smith's name?

A.—He would not have to sign.

Q.—He could go in and take that \$15,000 and say charge it to Rebate Account and give you a debit slip or something?

A.—If Mr. Smith or any person else was in his office the Colonel would have authority to come down and make out a cheque for any person and take it over and cash it for that person, so that Mr. Smith or anyone else would not have to go near the teller. If I had put that deal through I would have a perfect right to go to the teller and endorse the cheque myself, and take the money to anyone that the cheque was made to.

Q.—What I am trying to get at is if the general manager wanted to draw \$15,000 out of your account he would not need to go to the trouble of having a cheque made out to Peter Smith?

A.—Lots of times if a man came into the office and was sitting down there, just as a mere matter of courtesy we might take his cheque and cash it for him, he would not necessarily have to go down to the teller.

Q.—I have often gone in to talk to the general manager, and wanted \$20, I would make out a cheque and get the cash, but I have never done it without having to endorse it. If you noticed there was any change in the cheque and the man who got the money when they were checking up the stub they would realize that the wrong man had got the money, wouldn't they?

A.—Not an official of the bank, you would not think of criticizing the general manager if he cashed that cheque.

Q.—What I am trying to ask you is if Col. Mason wanted that money he did not need to go to the trouble of signing a cheque to anyone, he could sign his own, couldn't he?

A.—Well, supposing he wanted to conceal his dealings in that he could make it out to any person if he did not want anyone to know that he had anything to do with it, he could ask us to make it out to anyone.

Q.—Did anything of that kind ever occur?

A.—I do not say that it did.

Q.—Well, what are you theorizing about, you are answering hypothetically. I am asking you right now, with your knowledge of Col. Mason, and what he

did in the bank, do you think for one minute he ever put anyone else's name on a cheque and drew the money?

A.—I do not say that at all.

Q.—Do you know if he did that?

A.—No, I do not know that.

Q.—Then why do you theorize and say he could take this cheque and sign his own name and get the money?

A.—I say he could, he was the general manager.

Q.—But did he ever do anything of the kind?

A.—I do not know if he did.

Q.—If you knew him to do anything like that, wouldn't you think it would be pretty crooked?

A.—No, if a man is in his own office he can do what he pleases.

Q.—Was there any inducement for Col. Mason to sign another man's name to a cheque and draw the money and put it in his pocket?

A.—Well, I cannot tell you that.

Q.—He never did that to your knowledge?

A.—Not to my knowledge.

Q.—You know very well if he wanted money out of your department all he had to do was to send down a slip?

A.—He would not get money from our department anyway.

Q.—Well, he could send it to the cashier and they would have sent it to you and charged it up without a cheque at all?

A.—Yes.

HON. MR. PRICE: What you intended to tell the Committee is that if Col. Mason wanted to cash that cheque for Mr. Smith or anyone else he could come down and get the money and take it up to Mr. Smith?

A.—Yes, that is it.

Q.—How many times was Mr. Smith in the bank that you saw?

A.—I saw him about half a dozen different occasions, I think.

Q.—Did he do any business with you personally?

A.—No.

Q.—Where would you see him?

A.—Our office was right opposite the elevator and we would see him going to the elevator, going up to the head office.

Q.—Would you recollect any time in December, 1919, that he went up?

A.—I cannot say that I recollect any particular time.

Q.—He became Treasurer on the 14th November, this was about a month afterward. Could you fix your mind on that or any other time?

A.—No, I cannot say. I would not have any particular reason for remembering his visits.

Q.—Did you see him in the bank during 1920?

A.—I cannot recall it.

Q.—Did you see him in the bank at the time you were signing these cheques for commission on those loans?

A.—No, I cannot say that I did.

Q.—You would sign a cheque, you and Mr. Whittaker or someone else, does that fix it in your mind?

A.—No, I cannot say it would, we did not have any particular reason to notice.

Q.—He would not come in your department?

A.—No, he would not have any object in coming to our department.

HON. MR. DOHERTY: Presuming that this cheque was made out in accordance with the stub as a rebate on a \$4,000,000 loan previous to Mr. Smith's coming in as Treasurer, do you think that transaction could have been carried out without Mr. Smith having ever met Mr. Mason?

HON. MR. PRICE: How could he know that, that is only speculation.

HON. MR. DOHERTY: This is a matter of a rebate, would that not have to be explained to the Treasurer?

THE CHAIRMAN: If you would confine your questions to facts or any explanations he has to make.

HON. MR. DOHERTY: Well, if Mr. Smith were to swear that he had never met Col. Mason for six months after that would you think that cheque was made out according to that stub?

A.—I could not say, he could swear anything he liked.

MR. FISHER: I would like to get away from theories and assumptions. How much of this thing do you recollect? Do you recollect the \$15,000 cheque?

A.—I did not particularly recollect it until it was drawn to our attention by the liquidator.

Q.—When it was drawn to your attention, did you recollect it having been issued?

A.—No, because I had nothing to do with the cheque, it was not made out by me, and I had nothing to do with the business at that time.

Q.—Do you know if it was charged up?

A.—No.

Q.—Who would make the entries in the books?

A.—Mr. Mogridge was the accountant.

Q.—Did you ever see them?

A.—Oh, yes, certainly.

Q.—Did you see that entry?

A.—I do not remember seeing that particular entry.

Q.—Did you see any other entries?

A.—Yes, I was a junior at the time learning the routine of the bond department.

Q.—What other entries did you see?

A.—I would have access to any of the entries.

Q.—I do not care about access, what did you see?

A.—I cannot remember any particular entries.

Q.—Were there other entries charged to that account?

A.—Certainly, every time bonds were bought and sold.

Q.—But expenses?

A.—I cannot remember that.

Q.—Commissions?

A.—I cannot make any definite statement.

Q.—Do you know anything about that account?

A.—No, I cannot say I do particularly.

Q.—You have seen it?

A.—Yes, but that is one of a dozen or more. I would not have any particular reasons for remembering entries in that more than any other.

Q.—Do you tell us absolutely that you have no recollection?

A.—Absolutely no recollection of any entry in connection with it at all.

MR. MACBRIDE: When rebates are made by the bank to the Province on

any bond issue of this kind, what is the custom, is it the custom to make it payable to the Provincial Treasurer or to the Provincial Treasurer under his name?

A.—I cannot say, because there was never anything of that sort went through in my time.

Q.—Would the books not reveal that?

A.—The books would reveal if any transactions of that nature had gone through.

DR. CARR: Mr. Doherty referred to a \$40,000 rebate on a former bond deal.

THE CHAIRMAN: This issue was made earlier, the books as Mr. Clarkson produced them showed three items; an item of \$46,000 odd which they said was commission, an item of \$42,000 charged to suspense against which the general manager drew various items by debit slips which he used, the liquidator told us, for expenses in connection with this loan as far as he could tell, and that left \$15,000, which was checked out by this cheque apparently. The Province never received it. He also showed that it went through the journal marked Peter Smith, Provincial Treasurer.

DR. CARR: But this \$40,000 was not payable to the Provincial Treasurer?

A.—It was part of the profit. They made a good deal more money than they expected when they took it, the \$46,000 was their legitimate profit, the \$42,000 was transferred to suspense and debited out for disbursements.

MR. FISHER: What we would like to know is to whom was the \$42,000 paid?

THE CHAIRMAN: To Col. Mason, it was transferred to suspense and debited out in various amounts.

HON. MR. DOHERTY: And Col. Mason drew it out in legals?

THE CHAIRMAN: I do not remember any cheques, it was debit slips.

DR. CARR: Was it ever supposed that \$42,000 should come back to the Province?

THE CHAIRMAN: No, that was profit the bank made.

MR. MACBRIDE: The \$15,000 balance was due the Province and the bank cannot show that it was ever paid to the Province. But there is the cheque stub to the Hon. Peter Smith.

MR. HANEY: I think you suggested to the Hon. Mr. Doherty a little while ago that it would be only one of the officials of the bank who would be interested in stealing the missing cheque for \$15,000?

A.—No, I did not make any statement like that. What Mr. Doherty said was that the man who had cashed the cheque would be the one who was interested in concealing it; that would not necessarily be an official of the bank, it might be anyone.

Q.—Now assisting you in the bond department was a man named Mason?

A.—Not at that time.

Q.—At a later time?

A.—Some considerable time after that.

Q.—Well, between that incident and the time the bank closed its doors. And Mason was related to the Deputy Provincial Treasurer?

A.—Yes.

Q.—And he was the man who was associated with you and the Deputy Provincial Treasurer in that deal where you split \$10,000 three ways?

A.—Yes.

Q.—Do you know of any other deals that this Mason and Matthews carried out to their benefit?

A.—No, I cannot say that I know anything about any.

Q.—Was Mason in a position to procure that missing cheque?

A.—As I said before, any employee of the bank could come in and take that cheque out if he wished.

Q.—So Mason could have got that cheque?

A.—Yes, he could if he wished, any person could take it, they were just put away in a filing cabinet, any person would have access.

COL. CURRIE: You did not take that cheque?

A.—No.

MR. CLARKE: My friend Col. Currie asked an important question when he asked if it was possible that the general manager or someone else could cash this \$15,000 cheque, he said he did not think he could, but if I remember aright a few nights ago we had evidence that Mason cashed that one per cent. on the bank's deposits. If he cashed that why couldn't he—

THE CHAIRMAN: Those were not cheques, they were debit slips.

MR. CLARKE: Well, supposing this cheque was made to Peter Smith, if the same man that cashed this one per cent. on the deposits could take that time after time, which the evidence shows he did, why couldn't he get hold of this cheque and cash it?

HON. MR. PRICE: Mr. Ross has stated that Col. Mason could have come down and cashed that cheque and taken it up to Mr. Smith or kept it.

COL. CURRIE: Was Mason in your department at that time?

A.—No, sir.

Q.—Then Mason would not be interested in having that?

A.—He would not know anything about it at all.

Q.—Did you see Peter Smith around the premises that day?

A.—Oh, I have not got a memory like that.

Q.—You did not keep a diary, did you?

A.—No, I have not any particular diary on Peter Smith's movements.

HON. MR. PRICE: If that completes the examination of Mr. Ross, I propose that the Committee sit again on Wednesday morning at ten o'clock.

THE CHAIRMAN: A sub-committee was appointed the other night to look into Mr. Ridout's books, we have not had any report.

HON. MR. BIGGS: I believe I was one of that Committee; I advised Mr. Haney and yourself that I could not go the following day and I have not heard of any meeting being called to do that work. I am prepared to go any time the Government representative is ready.

THE CHAIRMAN: Will you see the Secretary and arrange to go over the book?

MR. FISHER: We have had evidence to-night that if Jarvis & Company bought bonds at a certain price they made a certain profit. Is it proposed to go on and show what they did pay?

THE CHAIRMAN: Yes.

MR. FISHER: At the last meeting I asked for some information as to the deposits in the bank over a period of time.

HON. MR. PRICE: Mr. Nash is taking that up, he will have it for the next meeting.

Adjournment until Wednesday, April 9th, 1924, 10 a.m.

PUBLIC ACCOUNTS COMMITTEE

April 9th, 1924.

The Committee met at 11.00 A.M., Wednesday, April 9th, with Mr. Finlayson in the chair.

Alfred Victor Young called; sworn; examined by Hon. W. H. Price, K.C.

Q.—Where do you live?

A.—174 Dowling Avenue, Toronto.

Q.—What is your occupation?

A.—Auditor at the present time.

Q.—Where were you employed during 1919 and 1920?

A.—With the Æmilius Jarvis & Co.

Q.—How long had you been employed by that company?

A.—Total period?

Q.—Yes?

A.—From May, 1919, to June, 1922.

Q.—What was your position there?

A.—I started in the capacity of junior and was assistant bookkeeper, security clerk, accountant, and then again in charge of the securities.

Q.—Who was the head bookkeeper at that time?

A.—At what time?

Q.—In 1919 and 1920?

A.—W. S. Brown was head bookkeeper in 1919 and then there were two other bookkeepers who stayed for a short time, and then Mr. R. A. Nevitt.

Q.—Was head bookkeeper, during what period was he head bookkeeper?

A.—During most of the period of 1920.

Q.—Was he head bookkeeper in 1919, any portion of it?

A.—I don't remember just when he started as head bookkeeper.

Q.—Then who did you say was head bookkeeper immediately prior to him? Do you recollect?

A.—I don't recollect the man's name.

Q.—We will probably get to that, if you run it over in your mind, or from another source. What was the office management at that time?

A.—Mr. R. R. Rogers was manager, and Mr. Harry Pepall was really sales manager.

Q.—We had Mr. Rogers in the box the other night and he told us what his work was. Do you remember how long he remained as manager of the company before Mr. Pepall took charge?

A.—It would be about April, 1920, that the managership of Mr. Rogers ceased, and from that time he was out on the road.

Q.—And who took over that managership?

A.—Mr. Harry Pepall.

Q.—In your capacity as assistant bookkeeper did you have anything to do with making out the cheques?

A.—Yes, I wrote practically all the cheques at the time I was assistant bookkeeper.

Q.—Did you write most of the cheques in 1919?

A.—No, very few cheques in 1919.

Q.—But you did almost all the cheques in 1920?

A.—Yes, sir, most of them.

Q.—Then in 1920 do you recollect writing a cheque for \$12,500?

A.—Yes, sir, I did.

Q.—What date was that?

A.—March 3rd, 1920.

Q.—And how was that cheque drawn?

A.—It was made payable to A. V. Young, endorsed by me.

Q.—Is that yourself?

A.—That is myself.

Q.—Well, on whose instructions was that cheque drawn?

A.—Mr. Harry Pepall's.

Q.—And why was it made payable to you?

A.—It was the custom of the office that all cheques which were to be cashed would be out payable to the person who was going to cash them.

Q.—That is, in other words, this was really a cheque to cash?

A.—Yes, sir.

Q.—But following the custom of the office it was drawn in the name of someone there who would cash it?

A.—Yes, sir.

Q.—Well, then, Mr. Young, just tell us what instructions Mr. Harry Pepall gave you about that cheque?

A.—Well, Mr. Pepall told me to get \$12,500 in cash and I drew the cheque and cashed the cheque and handed him the cash.

Q.—For what purpose did he ask you to get the cash?

A.—He didn't say what purpose it was for.

Q.—Well, then, having received the cheque, what did you do with it? Having written out the cheque yourself, as you say?

A.—Yes, sir. I got Mr. Hugh Allen to countersign the cheque and Mr. R. R. Rogers countersigned the cheque.

Q.—Who was Hugh Allen?

A.—He was security clerk at that time and had power to countersign cheques.

Q.—Then, having got this cheque for \$12,500 legally drawn according to your office rules and custom, what did you do with it?

A.—I went over to the Canadian Bank of Commerce head office and cashed it.

Q.—Was there anyone accompanying you?

A.—Hugh Allen accompanied me as protection for the money.

Q.—This cheque was drawn on the Canadian Bank of Commerce?

A.—Yes, sir.

Q.—What branch?

A.—Head office.

Q.—In Toronto?

A.—Yes, sir.

Q.—What cash did you get?

A.—Twelve \$1,000 bills and one \$500.

Q.—Why did you get it in that currency?

A.—I don't remember that I had any specific instructions in the denominations to get the cash.

Q.—Having gotten the twelve \$1,000 bills and one \$500 bill, what was your next step?

A.—I immediately came back to the office and gave it to Mr. Harry Pepall.

Q.—When you say "back to the office," where in the office was that given to him?

A.—In the front portion of the office.

Q.—In the general office?

A.—General office.

Q.—You knew, Mr. Young, that there was a loan going through at that time to the Province?

A.—Yes, I knew that Æmilius Jarvis & Co. were getting a \$5,000,000 issue of bonds about that time.

Q.—And you would see also that \$12,500 was one quarter of one per cent. on that amount?

A.—Yes, sir, I noticed that.

Q.—Did you have any conversation with Mr. Pepall about that?

A.—No, sir, there was no conversation in connection with the cheque, other than what I have stated.

Q.—How did you know there was this loan for \$5,000,000 from the Province going through at that time?

A.—As I wrote most of the cheques I believe I wrote the cheque payable to the Provincial Treasurer for the bonds on that issue.

Q.—That is the cheques from Jarvis & Co. to the Province of Ontario?

A.—Yes, sir.

Q.—For the \$5,000,000 loan that was going through at that time?

A.—Yes, sir.

Q.—Do you recollect also where this loan was sold?

A.—It was sold to some firms in Chicago.

Q.—Was it sold at the time you wrote the cheques to the Province?

A.—I don't know whether it was sold then or not.

Q.—You recollect as a fact, though, that the sale was made in Chicago?

A.—Well, the firms were likely in syndicate with the Æmilius Jarvis, the firms in Chicago were in syndicate with Æmilius Jarvis & Co. in disposing of the bonds.

Q.—Then you did have some conversation with Harry Pepall about this loan, didn't you, disposing of it in Chicago?

A.—Yes, sir.

Q.—And what was that conversation?

A.—Harry Pepall said that the fluctuation of the exchange had a bearing on the amount of profit there would be on the issue. I don't mean that I am quoting his exact words, but that is the meaning of what he said.

Q.—Where did that conversation take place?

A.—In the wash room of Æmilius Jarvis & Co.

Q.—I suppose there was no particular significance in that; you just happened to talk about it?

A.—No, sir, we just happened to be both washing at the same time.

Q.—What age were you at the time this transaction took place?

A.—I was eighteen years of age then.

Q.—When you handed the \$12,500, twelve \$1,000 bills and one \$500 bill, Mr. Pepall, what did he do?

A.—He took it and immediately left the office.

Q.—Did you know of the arrangement which Mr. Rogers swore to here the other night, that Andy Pepall was to get one-quarter of one per cent. on the Provincial business?

A.—No, sir, I didn't know of that arrangement.

Q.—You were not present at the time it was made?

A.—No, sir.

Q.—When I asked you did you know about it, was it known in the office?

A.—No, sir, it was not known generally in the office.

Q.—Well then, Mr. Young, how long did you remain with Æmilius Jarvis & Co.?

A.—Until June, 1922.

Q.—And what position did you occupy after that?

A.—Since I left Æmilius Jarvis?

Q.—No, from the time you were assistant bookkeeper, when you drew this cheque to the time you left the office; what was the next position after assistant bookkeeper?

A.—I was assistant bookkeeper until about the middle of May, 1920, and from the middle of May until September, 1920, I was security clerk.

Q.—Just take that. Middle of May to the middle of September, security clerk. What were the duties of security clerk?

A.—Had charge of all the bonds and stocks that came in and out of the office.

Q.—Then, following that position?

A.—I was in charge of the books from the middle of September until—

Q.—Middle of September what?

A.—1920, until to about April, 1921.

Q.—Yes? Would that mean as head bookkeeper?

A.—Yes, sir, and then I was transferred to the security clerk's position again until the time of my departure in June, 1922.

Q.—Mr. Young, as head bookkeeper, did you write out the cheques required by the firm?

A.—I would write some of them, but not as many as being assistant bookkeeper.

Q.—Well, Mr. Rogers spoke of a cheque for \$7,500, being one-quarter of one per cent. on a \$3,000,000 loan. The first loan he says that Mr. Smith made through Jarvis & Co., on December 1st, 1919. Did you write out that cheque?

A.—I don't remember writing that cheque.

Q.—Well, did you write out any other cheques to cash in the customary way in your firm, by putting someone's name in the same as your name; you put your name in?

A.—Yes, sir, I wrote other cheques payable to cash to other parties in the office who intended cashing the particular cheque in the bank.

Q.—Were they large amounts?

A.—No, sir.

Q.—Are there any of those items that have particular significance as far as this inquiry is concerned?

A.—Any other items?

Q.—Yes?

A.—No, sir, not that I can recollect.

Q.—Well, just let us see. We have evidence here that Mr. Andy Pepall was getting a quarter of one per cent. on the business that he got from the Government for the Jarvis firm. Did you write any other cheques where the commission went to Andy Pepall, or Harry Pepall.

A.—No, sir, not that I can remember.

Q.—This \$12,500 one is the only one you remember?

A.—It is the only one I remember.

Q.—Well, then, after having completed that transaction, that was a pretty big transaction for a young fellow like you?

A.—Yes, sir, it was.

Q.—A \$12,500 cheque?

A.—Yes, sir.

Q.—Got you thinking a bit, did it?

A.—Yes, sir.

Q.—And you remembered it?

A.—Yes, sir.

Q.—Had you had any \$1,000 bills before?

A.—Not in my hands.

Q.—You never cashed a cheque and got thousand dollar bills?

A.—No, sir, not before.

Q.—Or \$500?

A.—No, sir, not before.

Q.—This would be pretty well in your mind, then?

A.—Yes, sir.

Q.—Did you see that cheque after it was cashed, Mr. Young?

A.—Yes, sir, when it came back with the vouchers from the bank I would likely see it in checking over the bank reconciliation. Whether I checked the bank reconciliation over the end of March I don't remember.

Q.—Do you recollect going to look at the cheque particularly?

A.—Yes, I recollect going to look up the cheque and the records of the bank a few months after the cheque was cashed.

Q.—Was that through curiosity?

A.—That was through curiosity as far as I can remember.

Q.—Well, did you have the cheque in your possession for a while?

A.—Yes, I had the cheque in my possession for a while.

Q.—And having the cheque in your possession for a while—when was that? When was it first in your possession? You said two or three months after that you went to look at the cheque. Was it in your possession then for while?

A.—I don't remember whether it was then or a little later on.

Q.—How much later did it come into your possession?

A.—I think it would be only a few months later.

Q.—That would be you probably went to look at it June or July or August, 1920, and probably in the fall it would be in your possession, fall of 1920?

A.—Possibly it was in the fall of 1920 or the spring of 1921.

Q.—And it remained in your possession then until you had a conference with Inspector Cuddy?

A.—Yes, sir.

Q.—And I believe you have delivered the cheque to Inspector Cuddy?

A.—Yes, sir.

Q.—Is this the cheque, then, that the Inspector produces?

A.—Yes, sir, that is the cheque.

Q.—Mr. Young produces, through Inspector Cuddy, a cheque on Æmilius Jarvis & Co., bankers and brokers, being cheque number 11126, dated Toronto, March 3rd, 1920, pay to A. V. Young, or order, \$12,500, Twelve thousand five hundred dollars, Æmilius Jarvis & Co., signed per R. R. Rogers, countersigned

Hugh W. Allen, to the Canadian Bank of Commerce, across the side of the cheque. Is that your signature endorsing it?

A.—Yes, sir, that is my endorsement.

THE CHAIRMAN: Exhibit number 128.

MR. PRICE: The paid stamp of the Canadian Bank of Commerce paying teller is March 3rd, 1920, per day paying teller. What is that O. S. on it?

A.—That was marked at the ledger keeper before the teller would cash the cheque.

Q.—And there is also another stamp on the face of it, Canadian Bank of Commerce, paid March 3rd, clearing house teller, Toronto, Ontario. Do you recollect what time in the day you went over to cash this cheque?

A.—No, sir, I cannot recollect what time of the day it would be.

Q.—I see also that Jenkins & Hardy, accountants, apparently checked this on April, 1920. What is that?

A.—R. Petman, that is the initial of the man checking it.

Q.—That is Jenkins & Hardy, per R. Petman?

A.—Yes, sir.

Q.—He was employed by Jenkins & Hardy?

A.—Yes, sir.

Q.—Did they regularly audit your books?

A.—Yes, sir, every month or two months at the outside.

Q.—So this cheque, dated March 3rd, 1920, would be audited in April, 1920?

A.—Yes, sir.

Q.—And stamped?

A.—Yes, sir.

Q.—And in addition to what I have read off the cheque, there is the perforation "paid" on it. Would that be a perforation by the bank, or by your firm?

A.—I expect that would be by the bank.

Q.—Now, how was this cheque charged up on the books of the Company, Æmilius Jarvis & Co.?

A.—I am not sure where the cheque was charged first, but a number of months after the cheque was issued the amount was finally charged to commissions.

Q.—Had you a commission account?

A.—Yes, sir.

Q.—Now, charged to commission, would there be a provincial account there?

A.—No, sir.

Q.—How would it be charged to commission?

A.—Well, all the commissions on purchase or sale of bonds were charged to the one account, I believe, at that time.

Q.—That is, there would be a general commission account in the firm of Æmilius Jarvis & Co., and this item of \$12,500 would be a debit charge there?

A.—Yes, sir.

Q.—Do you recollect what other items were charged as debits in that general account, what other commission items?

A.—As near as I can remember back, all the other items were comparatively small items.

Q.—Was the \$7,500 one that Mr. Rogers speaks about charged?

A.—I don't know whether the \$7,500 was charged on that account or not. The \$7,500 being paid in the previous year, it might have been and been charged out when the books were closed at the end of the year.

Q.—Just let us run over, Mr. Young, the actual loans that the Province made at that time through Jarvis & Co. The first one was \$3,000,000, 1st of December, 1919, 10-year loan. Do you recollect, apparently, the \$7,500 commission was on that loan, from what Mr. Rogers states. Do you recollect anything about that \$7,500 commission that was paid?

A.—No, sir, I didn't even know that it was paid.

Q.—Then as assistant bookkeeper you were not informed of that fact?

A.—Well, it was about the middle of December I became assistant bookkeeper.

Q.—So that on the 1st of December you might not have been cognizant of the fact?

A.—Yes.

Q.—Next loan was \$3,000,000, 1st of January, 1920, and that was a 10-year loan, but if this arrangement of Mr. Rogers with Pepall was carried out there would be \$7,500 on that? Do you recollect \$7,500 being paid on that?

A.—No, sir, I don't recollect \$7,500 on that loan.

Q.—Do you recollect that being charged up in the commission account, an item of \$7,500?

A.—No, sir, I cannot recollect an item of \$7,500 in the commission account.

Q.—Well, then, come down to the \$5,000,000 on 1st of March, 1920; \$5,000,000; and this cheque of yours here is dated March 3rd. Do you recollect as a 5-year loan, \$5,000,000 5-year loan—do you recollect this \$12,500 being charged up in the commission account?

A.—Yes, I recollect that the \$12,500 was charged up in the commission account.

Q.—Apparently not until some time afterwards?

A.—Not until some time after the cheque was issued.

Q.—How long afterwards?

A.—It would be a number of months, I think about six to nine months.

Q.—Now, how would you know six to nine months after that that was charged up into commission account?

A.—Because I looked at the commission account.

Q.—If that were so and you looked at the commission account—and I don't doubt what you say—how did you overlook the \$7,500 that Mr. Rogers speaks of?

A.—Because it was in the year before and might have been charged off and closed out of the account and, not knowing anything about it, would not be looking for it.

Q.—That probably might be the explanation of that, but there is another \$3,000,000, 1st of January, which was not in the year before. How would you explain that?

A.—Well, I cannot recall seeing an item of \$7,500 in the commission account.

Q.—Where was this amount originally placed, Mr. Young, this \$12,500. You say it was not charged to the commission account right at the beginning. I was five or six or seven months afterwards. Where would it be wandering at that time, because Jenkins & Hardy—I want you to be careful on this—apparently got hold of it on April, 1920. You see it went some place?

A.—I don't recall absolutely where the cheque was charged in the first place, but I think it was charged to Æmilius Jarvis, Sr.'s special account.

Q.—In looking after the books of this Company, being assistant bookkeeper and then head bookkeeper, were amounts left dangling like that, were changed from one place to another?

A.—No, sir, there were very few amounts left like that, and the ones that would be were ones in which I didn't know anything about and would get definite instructions at the time.

Q.—Just cheque like this, this \$12,000?

A.—Yes, sir.

Q.—Did it seem peculiar about that time, it dangling around that way?

A.—Yes, sir, it did.

Q.—Did you know anything about the big bond purchase deal or inscribed stock purchase that Jarvis & Co. made in London in the early part of 1920?

A.—I knew that Mr. Æmilius Jarvis and Mr. Andy Pepall were going to England in connection with it, but I didn't hear any particulars in connection with it.

Q.—Well, do you remember the time that they went over to England?

A.—No, sir, I don't remember definitely.

Q.—Were there entries made in your books of the English transaction?

A.—No, sir, there were no entries made in the books of Æmilius Jarvis & Co. in connection with the purchase or sale of the bonds in the English transaction.

Q.—That English transaction ran between \$5,000,000 and \$6,000,000. I was a big transaction, why wouldn't it go through these books?

A.—Mr. Æmilius Jarvis, senior, had books of his own and it is quite possible, probable, that all the entries in that connection went through his personal books.

Q.—Well, was there any entry went through your books?

A.—There was one entry of \$4,000 expenses to Andrew Pepall went through the books of Æmilius Jarvis & Co.

Q.—Well, was that the \$4,000 that came from the Province?

A.—I believe so, sir.

Q.—Well, that was the Province paying Andy Pepall to go over to London and represent them, the Province. Why would it go through Jarvis?

A.—Jarvis & Co., I believe, issued a cheque as a counter entry to the cheque received. I think the cheque issued was payable to Andy Pepall.

Q.—Well, did Andy get this \$4,000 before he left?

A.—No, sir, that was after he came back, I think.

Q.—Well, I cannot quite follow a transaction like that. I see he put in his bill when he came back in June. Yes, there is a June 4th, as I pointed out the other day, when this deal was completed. Mr. Andrew Pepall put in a bill to The Ontario Government, Dr. to A. H. Pepall, to services travelling and other expenses in connection with redemption of securities in England, 50 days from February 27th, 1920, to April 17th, 1920, inclusive, \$80 per day, \$4,000; that fixes the time he started to charge the Province—February 27th. Now can you tell me—Yes, at the bottom of this there is, Services performed, price according to contract. Do you recollect the time when this money was paid out to Andy Pepall, recollect the date?

A.—I don't recall the date. I think it would be some time in May.

Q.—Well, when you paid out the \$4,000, did you have it in from the Province?

A.—Yes, sir.

Q.—That is the \$4,000 was deposited?

A.—Yes, sir.

Q.—The cheque from the Province was deposited in Æmilius Jarvis & Co.'s books and you checked out money to Andy Pepall?

A.—I believe that was the course of the transaction.

Q.—Well, did you check out the full \$4,000?

A.—Yes, sir, the cheque issued was for \$4,000.

Q.—Can you explain why the cheque would be put through Jarvis & Co.?

A.—No, sir, I don't know why.

Q.—It was a provincial cheque. He could get it cashed anywhere at any bank. Was that the only item or entry now that you know of in the Jarvis & Co.'s books of the English inscribed stock transaction?

A.—That was the only entry that I know of that went into the books of Æmilius Jarvis & Co. in connection with the English transaction.

Q.—Well, it seems extraordinary that that should go through the books of the Company. The correspondence here is all from Æmilius Jarvis. Who were the members of the Jarvis firm at that time? The correspondence here in Exhibit number 126, being the file of the papers relating to this particular deal, commences on February 19th with a letter on Æmilius Jarvis paper from Æmilius Jarvis. Did you make any inquiries as to why this did not come through the books?

A.—No, sir, I did not.

Q.—There were no money entries?

A.—No, sir, not that I can recollect.

Q.—Do you recollect where the profits went on this transaction?

A.—No, sir, I had no idea where they went.

Q.—During the time you were with the Company did the profits on the transaction, which apparently were considerably over \$500,000 and might run to \$700,000, did any of the money come through the Jarvis & Co. books?

A.—No, sir, I cannot recall any of it coming through the Jarvis & Co. books.

MR. DOHERTY: What are you estimating that profit on.

MR. PRICE: Why, it is more than we have estimated.

MR. DOHERTY: You have it.

MR. PRICE: It will be more. I am just giving you a chance on it. I am sorry it is so much.

MR. DOHERTY: It is about time you produced the facts.

MR. PRICE: You cannot say, Mr. Young, whether any of this money actually came through to Jarvis & Co.?

A.—The paid-up capital of Æmilius Jarvis & Co. was changed somewhat at a subsequent time, to April, 1920, but I do not think that any extra cash was included in the difference, change in the capital.

Q.—Just prior to the incorporation of the Company, who were the partners?

A.—Æmilius Jarvis, senior, and I am pretty positive Æmilius Jarvis, junior, was also a partner of the company in 1920.

Q.—Well, after that time, after the company was organized, who were the shareholders?

A.—Æmilius Jarvis, Æmilius Jarvis, junior, Harry Pepall, D. F. M. Sykes, and H. E. Cochrane, I think.

Q.—Do you know what stock was held after that date by Harry Pepall?

A.—I knew at the time the amount of stock that dividends, preferred stock, that dividends were paid on to Æmilius Jarvis, senior and junior, and Harry Pepall, but I don't remember now the amounts of the stock.

Q.—Then Mr. Sykes, would you tell us in short, is that prior to March 1920, Æmilius Jarvis was a partnership, Æmilius Jarvis & Co. was a partnership?

A.—Yes, sir.

Q.—With himself and his son?

A.—Yes, sir.

Q.—After that it was incorporated and stock issued?

A.—It was some time after.

Q.—Then Harry Pepall became one of the stockholders in the company?

A.—Yes, sir.

Q.—And Sykes, D. F. M., do you know what he had?

A.—No, sir, I don't remember what he held.

Q.—And did Cochrane hold any?

A.—I think he held a little.

Q.—Why would Pepall be taken into the firm and not Rogers, who had been there eight or nine years?

A.—Well, that would be between Æmilius Jarvis and Mr. Harry Pepall.

MR. DOHERTY: Was Mr. Pepall manager at this time?

A.—At which time?

Q.—The time the company was organized?

A.—Yes, he was general manager at that time.

MR. PRICE: He was city agent in December, 1919, and became, so Mr. Rogers swore, he was the general manager at the time and became general manager in March or April, because he said all of these transactions were taken out of his hands and put in the hand of Pepall. I want to know, Mr. Young, from you, just why that was, why all these things were taken out and Pepall made as general manager. You were in the office there. You knew what was going on; you knew the situation?

A.—Well, I presume it would be on account of Mr. Harry Pepall being able to do bigger business in that connection than Mr. R. R. Rogers.

Q.—Bigger Provincial business?

MR. DOHERTY: Why do you presume that?

A.—I was asked for an opinion on why the change.

MR. PRICE: He was in the office there all the time.

MR. DOHERTY: Well, that has nothing to do with it. We don't want opinions.

MR. PRICE: I think the facts stand out for themselves.

MR. DOHERTY: There is not much in your evidence, I think, that concerns this Committee. The only thing I cannot understand is the moral connected with this transaction of you having possession of this cheque. How and on what ground did you possess yourself of this cheque, the voucher belonging to Æmilius Jarvis & Co.? What was your justification?

A.—I had no justification.

Q.—I can understand you looking at it out of curiosity. I cannot understand you removing it from the files of your employer?

A.—I don't remember definitely that I did remove it from the files of my employer.

Q.—Oh, I understand from the evidence you took it out of the files and kept it until you handed it to Mr. Cuddy. Is that what you swore?

A.—Yes, sir.

Q.—You took it out of the files of Æmilius Jarvis & Co. in the fall of 1920 or the spring of 1921?

A.—Yes, sir.

Q.—That was three and a half years ago. I fail entirely to understand why you should do it. In the second place, I cannot understand how and on what ground you could possibly justify yourself in doing such a thing. Have you any justification for it?

A.—No, sir, except the matter of curiosity in connection with the cheque, such a large cheque being made out payable to myself. I was just a boy then.

Q.—It simply went through your hands in the natural transaction of Æmilius Jarvis Co. business. You had seen bigger cheques than that go through?

A.—Yes, but not cash, and they were not payable to myself.

Q.—Did Æmilius Jarvis & Co. know you had this cheque?

A.—No, sir, I don't think they did.

Q.—Now about this matter of Mr. Harry Pepall going in as manager, that took place some time in March or April, 1920?

A.—Yes, about April, 1920.

Q.—Æmilius Jarvis & Co. was reorganized into a joint stock company that summer or fall?

A.—No, sir, it was, to the best of my recollection, August 31st, 1921.

Q.—Oh, a year after that?

A.—Yes, sir.

Q.—Was Harry Pepall general manager for a year?

A.—Yes, sir.

Q.—Rogers had been out of the firm altogether, his connection with the firm had been severed previous to Æmilius Jarvis Co. being organized into a joint stock company?

A.—Yes, sir.

MR. DOHERTY: So that would be the explanation of why Mr. Rogers—

MR. PRICE: Mr. Rogers said that he did not handle these transactions, only the first one, that they were handled then by Harry Pepall, and he took over the city business, went out on the road, and Harry Pepall became manager; that is, before the incorporation, right along for the next six months, and he didn't leave until 1920.

MR. DOHERTY: He left 15th September, 1920.

MR. PRICE: But why would he be required, for six months, a man who was general manager, and go out in an inferior position?

MR. DOHERTY: Well, Mr. Jarvis is an excellent judge of security salesmen and as to men who have the ability to handle the management of bond houses, hasn't he?

A.—Yes, sir.

Q.—Tremendous experience?

A.—Yes, sir.

Q.—He had several in there before he had Rogers, didn't he?

A.—Yes, sir.

Q.—He let them out again. Do you remember Bulmer, who preceded Rogers?

A.—I don't know him.

Q.—I thought probably while you were in the firm—There were several replaced. So it was natural when the firm was reorganized that the man who was general manager, if anybody was to be taken in, he would be taken in?

A.—Yes, sir.

MR. MCKEOWN: I think you told us you had an account in connection with the Aemilius Jarvis firm, called the commission account?

A.—Yes, sir.

Q.—And you were in the habit of paying small amounts for commission to others who got business for the firm?

A.—Yes, sir.

Q.—Was it the invariable practice that when you did that you issued a cheque against the commission account payable to the person that had secured the business?

A.—I don't remember whether at that time all the cheques issued in connection with commission were charged to the commission account, or whether some were charged to the bond account against which the commission was paid.

Q.—But if John Brown or any other person sent business in to your firm on which he was entitled to secure commission, that commission would be paid to him by a cheque of the firm?

A.—Usually by a cheque of the firm. After the firm was incorporated, took out an agency with the Dominion Express Co. and all the small commission under \$50 were paid by Dominion Express order.

Q.—And those express orders sent directly to the person entitled to the money?

A.—Yes, sir.

Q.—And this is the first and only occasion where commission was paid to you and by you handed in bills to somebody else?

A.—Yes, sir, it was the only occasion of that kind.

Q.—You endorsed this cheque as having received the money?

A.—Yes, sir.

Q.—Had Harry Pepall any claim to this money by way of commission?

A.—I don't know that, sir.

Q.—Why did you hand the money over to Harry Pepall?

A.—Because Harry Pepall instructed me to get the money.

Q.—Did you take from him any receipt to protect you?

A.—No, sir, I did not take any receipt.

Q.—So that you got the \$12,500 in large bills?

A.—Yes, sir.

Q.—The only occasion in your recollection where a transaction of this kind was carried out in that way?

A.—Yes, sir.

Q.—Of course, you don't know what he did with it?

A.—No, sir.

Q.—Did it strike you as a procedure that was not in accordance with the procedure of your house?

A.—As far as I knew, there were no large commissions of that size previously gone through and there was nothing that had gone before to judge it by.

Q.—You had paid commissions before, I presume?

A.—Yes, sir.

Q.—This was a commission of a similar kind but of larger amount, or did you know?

A.—I didn't know it was a commission.

Q.—You didn't know it was commission?

A.—No, sir.

Q.—Did you know to what account it was charged at the time it was put through?

A.—I am not positive the account it was charged to at the time it was put through, but I think Æmilius Jarvis Senior's special account.

Q.—Had you anything to do with the transfer of it from that account to the commission account?

A.—I don't remember whether I had.

Q.—Well, if you did, you would do it under instructions?

A.—Yes, sir, under instructions only.

Q.—And would you say whether you had anything to do with it or not?

A.—No, sir, I don't remember.

Q.—It had ultimately, some months later, got into the commission account?

A.—Yes, sir.

MR. DOHERTY: When did you give this cheque over to Mr. Cuddy?

A.—Yesterday.

Q.—How did it come that you handed the cheque over to Mr. Cuddy?

A.—Mr. Cuddy wanted the cheque.

Q.—Mr. Cuddy knew you had it?

A.—Yes, sir.

Q.—How did he know that?

A.—I don't know, sir. I believe he knew I had it.

Q.—He came to you for the cheque?

A.—Yes, sir.

Q.—What did he ask you for?

A.—Asked me for the cheque.

Q.—Did he specify what cheque?

A.—He specified the amount of the cheque, I believe.

Q.—Said he wanted the \$12,000 cheque you had?

A.—Something very close to that effect.

Q.—He didn't tell you where he found out about it or on whose instructions he was acting?

A.—No, sir, he didn't, that I can recall.

MR. PRICE: He is the Assistant Commissioner of Police.

THE CHAIRMAN: It is not usual to go into the means by which evidence is obtained.

MR. LEWIS: At the time you drew this cheque you drew it on the instructions of Pepall?

A.—Yes, sir.

Q.—What was his position at that time with the firm? He was not general manager then?

A.—No, sir, I don't think he was at that time. As far as the under clerks in the office were concerned they didn't know exactly what time the manager-ship of the office changed hands.

Q.—I am trying to get your recollection of his position at that time. Had he a position of authority which impressed you sufficiently with the idea that he could authorize such a cheque?

A.—Yes, sir.

Q.—And handing over the money to him when in authority superior to you?

A.—Yes, sir.

Q.—You felt he had that authority?

A.—I felt he had that authority?

Q.—After a cheque is ordered isn't it usual that a voucher be made out to accompany the cheque?

A.—There were no other items of that large amount and in small amounts I cannot recall whether vouchers were made out in that connection.

Q.—If you got instructions off the general manager and he said to you, make out a cheque for certain purposes, would not there be a bill or an account or a voucher of some kind that you would have to refer to accompanying the cheque into the record?

A.—I don't recall that there were cheque requests at that time. There were later on, after that, a considerable number of months after that.

Q.—At this time was it the custom to loosely, in this manner, issue cheques on the verbal instructions of somebody about the office?

A.—Yes, sir.

Q.—And a number of cheques were issued in that way?

A.—Yes, sir.

Q.—But you were struck by the size of this one?

A.—Yes, sir.

Q.—And the fact that you cashed it personally?

A.—Yes, sir.

Q.—Wasn't your curiosity and interest in it sufficient to stimulate you to ask why this big cheque was issued?

A.—I would have been afraid to have done so.

Q.—You were a junior and you simply took your instructions?

A.—Yes, sir.

Q.—And no matter how curious you were, you were a little diffident about asking the reason?

A.—Yes, sir.

MR. FISHER: This cheque was issued when?

A.—March 3rd, 1920.

Q.—And you say you were impressed at the time with something peculiar about the cheque?

A.—Yes, sir.

Q.—You noticed it, that that cheque had gone through?

A.—Yes, sir.

Q.—You knew the amount?

A.—Yes, sir.

Q.—And how it was paid. When did you next see the cheque?

A.—I don't know whether I saw it when the cheques came back from the bank on the 1st of April, 1920, and would be checked off with the—reconciled with the bank account, or whether I did not see it until a number of months later.

Q.—You did see it a number of months later?

A.—Yes, sir.

Q.—Where?

A.—In the office.

Q.—How did you come to see it?

- A.—I looked it up on the files.
- Q.—Why did you do that?
- A.—Through curiosity, and a cheque that was made payable to myself.
- Q.—What do you mean by curiosity? What information did you get when you looked at the cheque that you had not already?
- A.—None whatever.
- Q.—And why did you go to look at the cheque after?
- A.—Because I was interested in it.
- Q.—You were interested—why?
- A.—Because it was a large cheque payable to myself.
- Q.—That you had made out and that you knew all about. Why would you go and look at it, can you explain that?
- A.—No, sir, I cannot in any other way than I have.
- Q.—Then later on you took the cheque?
- A.—Yes, sir.
- Q.—When was that?
- A.—That would be a few months after looking at it.
- Q.—In 1919?
- A.—Either the fall of 1920 or the spring of 1921.
- Q.—And you kept it until yesterday?
- A.—Yes, sir.
- Q.—Who knew you had the cheque?
- A.—I don't know.
- Q.—You swear to that, you don't know?
- A.—I don't know everybody that knew I had the cheque.
- Q.—Tell us anybody that knew?
- A.—I think E. H. MacMillan knew I had the cheque.
- Q.—Who is he?
- A.—He is a fellow that used to work at Æmilius Jarvis & Co.
- Q.—Who else knew?
- A.—I think Leslie Bartlett knew.
- Q.—Who else?
- A.—As far as I know, they are the only ones that knew I might have had the cheque.
- Q.—How did they know you had the cheque?
- A.—I don't remember whether I had shown it to them or whether I had told them I had it.
- Q.—You told them or discussed with them the fact that you, a young man of twenty, was taking away a cheque belonging to the firm?
- A.—Either I had mentioned it or shown it to them. I am not positive.
- Q.—Did you ever take away other cheques belonging to the firm?
- A.—No, sir, not that I can remember.
- Q.—Why take this one?
- A.—Because of my curiosity and it was made payable to myself.
- Q.—A good many cheques were made payable to you?
- A.—Not for large amounts.
- Q.—Well, small. Why did it make any difference whether it was large or small amount?
- A.—It made a big difference.
- Q.—Now just tell us why you took the cheque?
- A.—That was the only reason that I know of.

Q.—You want to tell this Committee you took that out of curiosity?

A.—Yes, sir.

Q.—Just as a keepsake?

A.—Kind of a keepsake.

Q.—Who told you to take the cheque?

A.—No person told me.

Q.—You swear?

A.—I swear that no person told me to take the cheque.

Q.—Who suggested it would be a nice thing if the cheque disappeared?

A.—No person suggested it would be a nice thing if the cheque disappeared.

Q.—Whom did you talk to about this cheque?

A.—Talk about the cheque or about having the cheque?

Q.—About the cheque?

A.—I talked with several people about the cheque.

Q.—Who were they?

A.—I don't remember who they were.

Q.—Tell us any of them?

A.—My father for one.

Q.—What did you tell your father about it?

A.—The fact that I had cashed this big cheque.

Q.—Did you tell your father you had taken it home?

A.—No, sir.

Q.—Well, with whom did you discuss the fact of taking it away?

A.—The only ones I can think of, E. H. MacMillan and Bartlett.

Q.—Well, what conversation did you have with MacMillan?

A.—I don't remember the conversation.

Q.—You don't?

A.—No, sir.

Q.—What was the nature?

A.—I don't think there was much conversation in connection with it at all.

I cannot remember what it was.

Q.—Nothing extraordinary about a young man taking a cheque for \$12,500 out of his employer's files?

A.—Yes, it is rather extraordinary.

Q.—Well, why did you do it? Did you have any talk with Mr. Jarvis about the cheque?

A.—No, sir.

Q.—At any time?

A.—No, sir.

Q.—Any talk with Mr. Jarvis, junior, about it?

A.—About the cheque?

Q.—Yes.

A.—No, sir.

Q.—Or about taking it away?

A.—No, sir.

Q.—Did you ever talk with anybody about taking it away?

A.—Only those that I previously mentioned.

Q.—Well, let us have the conversation with them?

A.—I don't remember what it might be.

Q.—You remember you did converse with them?

A.—I am not positive I did.

Q.—Well, why do you suggest you did converse with them. Start in with the first one, who was he?

A.—I don't remember.

Q.—You have given three names of people you talked to, give us the first one?

A.—The first person it was mentioned to?

Q.—Yes?

A.—Well, Mr. MacMillan was in the office at the time that the cheque was drawn. I presume he knew about it being drawn at that time. I don't know whether he did or not.

Q.—Why do you presume that?

A.—Because he worked in the office.

Q.—Does everybody in the office know every time a cheque is issued?

A.—Well, they might on a large cheque like that.

Q.—And what conversation did you have with MacMillan about this cheque at any time?

A.—I don't remember the conversation?

Q.—Did you have conversation with him?

A.—I might have had some conversation in connection with it.

Q.—You might have had?

A.—It might have been that I had taken the cheque.

Q.—What was his position?

A.—Æmilius Jarvis & Company?

Q.—Yes?

A.—I am not positive of what his position was.

Q.—Well, what would you say it was?

A.—Looked after the record of the sales of bonds.

Q.—And when might you have had this conversation with him?

A.—It would likely have been about the time I took the cheque.

Q.—A little before or a little after?

A.—It would likely be after.

Q.—Why likely after, instead of before?

A.—Because there was no premeditation in taking the cheque.

Q.—There was no premeditation?

A.—No, sir; not that I can recall.

Q.—Had you never discussed with anybody taking that cheque out?

A.—I may have discussed—no, I never discussed it.

Q.—Well, did you have any talk about it?

A.—I might have mentioned I had taken the cheque out.

Q.—Did anybody mention to you it would be a good thing if it were taken it?

A.—No, sir.

Q.—Did you have any talk with anybody in advance of taking it out?

A.—No, sir; I did not.

Q.—You swear that positively?

A.—Positively.

Q.—And why did it seem to you a good thing to take that cheque away?

A.—It didn't, except that I was curious about the cheque.

Q.—And you walked away with a cheque from your employer's office. Did you get any money out of that?

A.—No, sir; I did not.

Q.—Why would you be particularly interested in it?

A.—Because it was made payable to me for a large amount.

Q.—And you want us to believe you just walked away for that reason?

A.—Yes, that is the only reason I know of.

Q.—Did it ever occur to you you might be liable for theft?

A.—No, sir, it did not.

Q.—And it didn't seem proper that you should go and ask your employe before you took a cheque away?

A.—I didn't think of it.

Q.—You are either a very useful or a very careless employe.

MR. BELANGER: When Pepall issued instructions for that cheque, did you say he was general manager?

A.—No, I don't know exactly his position on March 3rd.

Q.—Except he was a man of authority over you?

A.—Yes, sir.

Q.—Was he paid a salary by the firm?

A.—A salary went through the books.

Q.—About how much?

A.—It rose rapidly, I don't recall just what.

Q.—About that particular time?

A.—Yes, sir, I don't recall just what it would be in March, 1920.

Q.—Would it be \$3,000 or \$4,000?

A.—I think it would be about \$3,000 in March.

Q.—From what you know of his duties, was he supposed to do his best to get business for the firm: was that one of his duties?

A.—Yes, sir, as far as I know.

Q.—And if he got any business for the firm was it usual for him to get commission for it, or do it at his salary?

A.—Well, he may have got commission other than his salary, but from what I know I cannot recall Harry Pepall getting any special commissions over and above his salary. He may have been, I cannot recall.

Q.—So his duties were not merely, as your duties were, to put transactions through the books, but to get business for the company?

A.—His duties were to get business for the company and sell bonds.

Q.—And he was paid a salary?

A.—As far as I know it was salary.

Q.—And so far as you know he was not supposed to get any commission?

A.—I don't think it was customary for him to get commission. He may have, I don't remember.

Q.—Were there any other members of the staff who were paid by salary supposed to get commission for any business they got?

A.—It was not usual when they were paid by salary to get commission; well; that is my recollection.

MR. HANEY: It is said in the evidence the face of the cheque bore the initials, O.S.?

A.—That is just the bank stamp for outstanding

Q.—Did you know yourself that Pepall was getting this commission?

A.—No, sir, I didn't know it was a commission.

Q.—You didn't know?

A.—No, sir; I didn't know it was for commission. I could see \$12,500 was one-quarter of one per cent.

Edward Harlan MacMillan, called, sworn; examined by Hon. W. H. Price, K.C.

Q.—Mr. MacMillan, what is your full name?

A.—Edward Harlan MacMillan.

Q.—And where are you living at the present time?

A.—385 Quebec Avenue.

Q.—In Toronto?

A.—Yes, sir.

Q.—Were you at one time employed by the Jarvis Company?

A.—Yes, sir.

Q.—In what capacity?

A.—I started as statistician.

Q.—And about what time did you start for Jarvis & Company.

A.—In February or March, 1920, to the best of my recollection.

Q.—Yes, you just give us what you think is correct. What training did you have for the work in Jarvis & Company?

A.—I had bank experience previous to that.

Q.—In what bank were you?

A.—Bank of Toronto.

Q.—What branch of the Bank of Toronto?

A.—Stratford, Ontario.

Q.—Then you have told us you had bank experience and you were in the branch of the Bank of Toronto at Stratford?

A.—Yes, sir.

Q.—What other branches of the Bank of Toronto had you been in?

A.—Just the one branch.

Q.—So that was your first appointment?

A.—Yes, sir.

Q.—What age were you when you went into the bank?

A.—About fifteen or sixteen.

Q.—Then you went in as junior in the Bank of Toronto, and were located at Stratford? To whom did you make your application to get into the bank—?

A.—To the manager of the Stratford Branch.

Q.—Were you living in Toronto?

A.—No, sir; my home was in Stratford.

Q.—And you made your application to the manager of the branch? And what was the date of your entry to the Bank of Toronto Branch in Stratford?

A.—I cannot tell you offhand.

Q.—What year was it in?

A.—I believe it was 1915.

Q.—And how long were you there?

A.—About four years.

Q.—That would be 1915-1916, 1917, 1918, 1919 in addition to 1920?

A.—I believe I resigned in the first of January, or in January, 1920.

Q.—So that this was all prior to the time you came to Jarvis & Company?

A.—Oh, yes, sir; it was.

Q.—What work were you doing in the bank?

A.—I started as junior, was promoted to ledger keeper and then promoted to teller.

Q.—In the latter part of 1920 or 1919 what position did you hold?

A.—Teller in the Bank of Toronto.

Q.—What are the duties of teller?

A.—Cash cheques.

Q.—Were you receiving teller and paying teller?

A.—General.

Q.—There was just the one teller?

A.—Yes, sir.

Q.—What were your duties?

A.—To receive all deposits and cash all cheques.

Q.—And then in this Stratford Branch of the Bank of Toronto you did receive all deposits and cash all cheques?

A.—During my period.

Q.—And so that was your position in December, 1919?

A.—To the best of my knowledge it was.

Q.—Well, then, at that time, did you receive large deposits in the account of the Hon. Peter Smith?

A.—What would you specify as large?

Q.—Well, thousand dollar denomination, or \$500 bills—did you receive these?

A.—To the best of my knowledge I did.

Q.—Now what month was that in? You have said, I think, it was in December, but I want to make positive of that?

A.—I cannot swear to the date. It could be found from the files of the bank. It was a period of four years ago. It is impossible to recall the date.

Q.—Impossible to get the exact date?

A.—Yes, sir.

Q.—And in that connection we have heard quite a lot of thousand dollar bills and five hundred dollar bills, and we are very anxious to know exactly where they went. Now can you recollect a payment in December, when you were teller at the Stratford Branch, as teller, of a certain number of thousand dollar bills, \$500 bills, as brought in by Mr. Smith

A.—I cannot swear as to the date, but I have received deposits from Mr. Smith of large legals.

Q.—Would they be one, two, three, four, five, six? How many legals would there be?

A.—I could not state the amount. To the best of my recollection there was at least one or more thousand dollar bills.

Q.—Can you recollect \$500 bills?

A.—There may possibly have been.

Q.—Who was the manager of the Bank of Toronto there?

A.—G. L. McHattie.

Q.—Was he there during all your period as teller?

A.—Unless he was on vacation.

Q.—He was really manager of the bank during all your time?

A.—Yes, sir.

Q.—Well, did he know of these deposits?

A.—Yes, sir; he did.

Q.—Did he speak to you about them?

A.—Conversation regarding the deposits?

Q.—Well, conversation regarding these legals that you speak of, that were deposited by Mr. Smith in the bank?

A.—I believe the deposit was made out by the manager of the bank and in turn handed to me as teller.

Q.—Can you recollect that? I suppose you had not seen thousand dollar bills before that stuff, had you?

A.—No, sir.

Q.—Were these the first thousand dollar bills you had ever seen?

A.—Yes, sir.

Q.—And you don't get many in Stratford?

A.—It is the first one I have ever received in the cage.

Q.—Then you had been there, how long had you been on as teller?

A.—About a year's time.

Q.—And you had not seen any thousand dollar bills?

A.—No, sir.

Q.—And that impressed it on your mind pretty well when you saw a thousand dollar bill coming in?

A.—It did, sir.

Q.—Some of these deposits were made out by the manager? Was Mr. Smith present at that time?

A.—When the deposit was handed to me?

Q.—When the deposit was handed to you?

A.—I believe he had just gone out of the bank.

Q.—And did you see him come in the bank?

A.—Yes, sir.

Q.—Did you see him go into the manager's office?

A.—I did.

Q.—And the manager then handed you the deposits?

A.—Yes, sir.

Q.—Now would there be a deposit slip there? You would be handed a deposit slip?

A.—Yes, sir; I would.

Q.—For the amount of the deposit made. And it would show to whose credit these were placed in your books?

A.—Yes, sir.

Q.—Was this in a savings account or in a general account?

A.—I cannot say.

Q.—Would there be a pass book issued by your bank?

A.—Yes, sir, there would be.

Q.—In whose name was the pass book?

A.—It would be in Mr. Smith's name.

Q.—Were there any other accounts in that branch in any one else's name, but controlled by Mr. Smith?

A.—I believe he was treasurer of the Perth Breeders' Association.

Q.—That would be an account of the Perth Breeders' Association of which he was treasurer?

A.—Yes, sir.

Q.—It would have nothing to do with this?

A.—No, sir.

Q.—And that would be a separate account?

A.—Yes, sir.

Q.—Was there any other account?

A.—Not that I can recall.

Q.—Did Mr. Smith have a general account as well as a savings account?

A.—He may have had both.

Q.—You handled savings deposits as well as general?

A.—Yes, sir.

Q.—Now, Mr. MacMillan, in December, we have had evidence here, we have had Mr. Rogers' evidence, who stated that there was \$7,500 paid out through Harry Pepall on a loan which was dated 1st of December, 1919.

MR. DOHERTY: I think you want to be correct in that. If you remember I tried to get Mr. Rogers to say which one of these loans it was.

MR. PRICE: He said it was the first loan. He did not deal with any after; the first one is the \$3,000,000 on the 1st of December.

THE CHAIRMAN: He said the first one was the only one he had anything to do with.

MR. DOHERTY: Well, the first of these two loans.

THE CHAIRMAN: He made the arrangement.

MR. PRICE: That is what I have in mind.

Q.—In December, the latter part of November or December, 1919, could you give us the date that large deposits were made or any one date?

A.—No, sir; I cannot.

Q.—Would it be towards the first of the year, or nearer the first of December?

A.—Can you tell me when the previous Government came into power?

Q.—On November 14th, 1919.

A.—It was after that date.

Q.—Do you know how long after that date?

A.—I do not, sir.

Q.—The deposit slips would show for themselves?

A.—Yes, sir.

Q.—You are quite satisfied there would be deposit slips?

A.—Yes, sir, I am.

Q.—And you are quite positive there was a bank book issued by you?

A.—Issued by the bank.

Q.—Then you came down to Toronto and afterwards joined the Æmilius Jarvis Company? And you have heard Mr. Young's evidence here to-day? What was your position?

A.—Statistician.

Q.—And how long did you hold that position?

A.—I was in charge of that position practically until the time I left the firm.

Q.—You would be making up the figures and returns?

A.—I was manager of that department afterwards.

Q.—You left of your own accord?

A.—I did, sir.

Q.—And are you still in the bond business?

A.—I am.

Q.—Well, Mr. MacMillan, when you were in there I suppose you would know Mr. Young?

A.—I did, sir.

Q.—You knew he was assistant bookkeeper?

A.—Yes, sir.

Q.—Do you recollect anything about this \$12,500 cheque that was drawn at the time, did you know about it at the time?

A.—Yes, sir; I believe I did.

Q.—You knew that a cheque for \$12,500 had been drawn at the time, and I suppose you knew Hugh W. Allen?

A.—Yes, sir, I know Mr. Allen.

Q.—Pretty hard to get a thing like that quiet where there are a lot of young boys?

A.—Yes, sir, you know them all.

Q.—How old were you?

A.—Twenty.

Q.—And Young was eighteen. How old was Bartlett?

A.—I imagine about nineteen.

Q.—And what was his position in the bank?

A.—To the best of my knowledge he was not in Jarvis' at that time.

Q.—When did he join Jarvis & Company?

A.—I cannot say the exact date. It was some time afterwards.

MR. LEWIS: Same year?

MR. PRICE: 1920?

A.—I cannot say.

Q.—Well, what was the first thing you did hear about the \$12,000 cheque?

A.—To the best of my knowledge I just recall hearing it being drawn or hearing of the boys going over to cash it.

Q.—Yes, Allen and Young. You would be there when they went into the general office? And were you there when the money came back?

A.—Not that I can recall.

Q.—Well, did you know about the one-quarter of one per cent. that was paid on Provincial deposits to Andy Pepall?

A.—I did not.

Q.—That was not such common knowledge?

A.—It was not.

Q.—You did not get any information from Mr. Rogers about that?

A.—No, sir.

Q.—Did you talk to Mr. Harry Pepall about that?

A.—No, sir.

Q.—Well, when you saw this \$12,500 cheque go out to be cashed did you make any inquiries?

A.—No, sir; I did not.

Q.—Did you know about the loan of \$5,000,000 going through on the 1st of March?

A.—Not that I can recall.

Q.—And you did not associate these two?

A.—No, I did not.

Q.—Then, Mr. McMillan, there has been a little cross-examination of Mr. Young which you heard. Did you have anything to do with the cheque leaving the office?

A.—I did not.

Q.—Whatever was done in that respect was done by Mr. Young?

A.—Yes, sir.

Q.—And when did you get to know that Mr. Young had that cheque?

A.—I cannot tell the date, sir.

Q.—How long afterwards?

A.—It was some time after he had cashed it, a period of time.

Q.—Can you tell whether it was in 1920 or 1921?

A.—I cannot, sir.

Q.—And did you tell people that Young had this cheque?

A.—No, sir; I did not.

Q.—Do you know anything further about the cheque?

A.—I do not.

Q.—Is this the cheque marked as Exhibit 128?

A.—I cannot identify it.

Q.—You cannot identify it?

A.—No, sir.

Q.—Do you know anything about—you heard Mr. Young talk about Jarvis & Company's books—do you know anything about Jarvis & Company's books?

A.—I don't, sir.

Q.—You didn't help to keep the books?

A.—I didn't.

Q.—Can you give the Committee information concerning the Jarvis' deal in the old country?

A.—I don't know any of the particulars of it.

Q.—Did you discuss with any of the members of the firm, those senior to you, the commissions being paid?

A.—No, sir.

A.—Or on Government business?

A.—No, sir; it was not discussed with me.

Q.—Did any member of the firm instruct you to say nothing about the payment of these commissions?

A.—No, sir; they didn't.

MR. DOHERTY: You were born in Stratford?

A.—No, sir; I was not. I was born in Oil Springs.

Q.—How old were you when you came to Stratford?

A.—About four years.

Q.—How long have you been acquainted with Mr. Smith?

A.—Since about 1915, when I went into the bank.

Q.—Did Mr. Smith keep an account with your bank between 1915 and 1919?

A.—To the best of my knowledge, he did.

Q.—He had his account there during these years?

A.—Part of the time at least.

Q.—Would you know, or do you know, whether he did bank at any other bank?

A.—Not that I know of.

Q.—Bank of Toronto in Stratford?

A.—Yes, sir.

Q.—He had been making deposits and withdrawals at your bank all through those years?

A.—Yes, sir.

Q.—Mr. Smith moved into Stratford approximately what date?

A.—I cannot say, sir.

Q.—Was it previous to your leaving the bank? Just at the end of December, 1919?

A.—I cannot say whether he had moved to Stratford at that time or not.

I believe he had a farm. I know he had a farm. Whether it was disposed of at that date I do not know.

Q.—You are not sure whether Mr. Smith had disposed of his farm and moved into Stratford previous to your leaving the bank or not?

A.—No, sir; I do not.

Q.—You left the bank 31st of December, 1919?

A.—I would not state the date; near that time.

Q.—Well, it was that date or a previous date?

A.—It may have been later.

Q.—It may have been after the 1st of January?

A.—My recollection is just about that time.

Q.—About New Years?

A.—About New Years.

Q.—Now this deposit that you refer to, which was made by Mr. Smith, and which you remember so distinctly, can you give the Committee any idea of the amount of that deposit?

A.—I cannot, sir.

Q.—Not approximately even?

A.—No, it would be a mere guess.

Q.—You don't know whether that deposit that was made was subsequent to or at the time of Mr. Smith's disposal of any of his herd?

A.—I don't, sir.

Q.—The deposit was made, though, previous to your leaving Stratford, leaving the bank, and you left the bank at the end of the year?

A.—Yes, sir.

Q.—Because that is very important, because the man who was in here, in Jarvis and Company, Mr. Rogers, he swore that this cheque for \$7,500, that was paid to Pepall, was cashed in January and not in December at all? It was cashed in January?

A.—That deposit may have been made in January. It was along about previous to when I left the bank. I cannot swear to the date.

Q.—Now you say the deposit was made in legals, what do you mean by legals? What do you call legals?

A.—Dominion of Canada bills.

Q.—Dominion of Canada bills?

A.—Yes, sir.

Q.—They are not the legals that are used between banks?

A.—I believe they are the same. As you know there are no thousand dollar bills issued by the different banks.

Q.—These are the regular Dominion thousand dollar notes?

A.—Yes, sir.

Q.—They are currency?

A.—They are currency.

Q.—Are you aware if there is a form of legals that is used only and solely between banks?

A.—Not that I know of. There may be for clearing purposes only, but I don't know.

Q.—You don't know that?

A.—No.

Q.—These were not that type?

A.—I cannot state.

MR. McKEOWN: I think you told the Committee that Mr. Smith came into the office, went into the office of the manager, and that the manager made out the deposit slip then and brought it to you with the money to deposit to the credit of the Hon. Peter Smith?

A.—To the best of my knowledge that was the procedure taken.

Q.—That, I think, you told the Committee, was the first time you saw a thousand dollar bill?

A.—Yes, sir.

Q.—And there was at least one, if not more than one thousand dollar bills in that deposit?

A.—To the best of my knowledge there was.

Q.—Would the deposit slip which was presented to you not only give the total amount of the deposit but give the bills that went to make up that deposit?

A.—It should have the denominations specified on it.

Q.—For instance, if it was \$4,500, it would be four \$1,000 bills, and one \$500 bill, or to like effect?

A.—It should be specified on the deposit slip.

A.—And that deposit slip can be or should be produced by the bank?

A.—Yes, sir, it should be.

MR. MACBRIDE: How long do the banks keep deposit slips?

A.—To the best of my knowledge indefinitely.

Q.—It would be there now?

A.—Yes.

Q.—Would the record show the amount?

A.—To the best of my knowledge.

Q.—Eventually the bills would not show on the ledger?

A.—No, sir; they would not.

MR. FISHER: When did you first see this \$12,500 cheque?

A.—To the best of my knowledge either when it was being drawn or shortly afterwards.

Q.—How did you come to see it?

A.—My department was next.

Q.—Who showed it to you?

A.—I cannot recall if any—

Q.—Well, how did you come to see it?

A.—I cannot say how I came to see it, except my department being next to his.

Q.—There were lots of cheques going through?

A.—Oftentimes I used to see cheques going through.

Q.—And even a cheque for \$12,500 would not be any great curiosity, would it?

A.—It would be when it was being drawn for cash.

Q.—I see. That is the thing that drew your attention to it?

A.—I believe it was.

Q.—Who pointed that out?

A.—I cannot say.

Q.—When did you see it next?

A.—I may have seen it when it came back to the bank.

Q.—Do you remember whether you did or did not?

A.—I cannot recall.

Q.—When did you see it after that?

A.—I cannot recall whether Mr. Young showed it to me or not.

Q.—You cannot recall?

A.—No, sir.

Q.—Why do you suggest that he may have?

A.—Because in his evidence he said I may have known.

Q.—You swear you don't know whether you ever saw it after that or not?

A.—I cannot recall seeing it.

Q.—Did you have some conversation with him about it?

A.—Not that I can recall. He may have mentioned the fact he had it, but I cannot recall it.

Q.—You swear positively you do not remember any conversation?

A.—I do, sir.

Q.—I thought you said a few minutes ago that you had some conversation with him after he had taken it away?

A.—Not that I can recall.

Q.—Didn't you tell the Provincial Treasurer a few minutes ago you had conversation with him some time after he had taken it?

A.—I may have spoken to him, but I cannot recall it.

Q.—Did you tell the Provincial Treasurer that a few minutes ago?

A.—I do not recall saying to the Provincial Treasurer.

Q.—When he asked you when that was?

MR. PRICE: I don't think he did. I took it from him that he spoke to Mr. Young or Mr. Young spoke to him shortly after it was drawn or when it came back, but not very long.

MR. FISHER: Young spoke to you, when?

A.—I cannot recall the time.

Q.—What did he say?

A.—I said I cannot recall any conversation. He said he may have spoken to me.

Q.—Do you recall that he didn't?

A.—I would not swear he did.

Q.—Did you know he had taken the cheque?

A.—I believe he mentioned it to me.

Q.—When?

A.—I cannot tell the time.

Q.—Why would you be talking about him taking this cheque? What was the occasion?

A.—We were not talking about it.

Q.—Why would he tell you that?

A.—I don't know.

Q.—Did it strike you as strange he would tell you he had taken the cheque away?

A.—It is such a long time ago I cannot recall.

Q.—But you have been in the bank business some time. You never knew clerks to take away cheques?

A.—No, sir.

Q.—Never knew them to do it before?

A.—Not that I can recall.

Q.—Did Young tell you when he took this one?

A.—No, sir.

Q.—But he told you he had?

A.—I cannot swear he did but I have a faint recollection that he did. But I cannot swear to it.

Q.—Matter of no importance?

A.—No importance whatever.

MR. BELANGER: Do you remember whether that deposit was in bills or cheques?

A.—There may have been cheques with it, I cannot state.

Q.—Do you know whether they were of large amounts or whether there might be some small?

A.—There might be some small amounts. That ought to be specified on the deposit slip.

MR. McKEOWN: Cannot you try and recall approximately the amount of that total deposit, take your time?

A.—That is a period of over four years ago. I cannot recall. I have tried to, sir.

MR. LEWIS: When you left the bank at Stratford, you came immediately to Toronto?

A.—Yes, sir; I did.

Q.—Did you have an engagement to start work with Jarvis before you left?

A.—No, sir.

Q.—You came down here and applied for work?

A.—I did.

Q.—How did you come to apply to Æmilius Jarvis?

A.—I tried Wood, Gundy first.

Q.—There was no arrangement before that, or you were not recommended?

A.—No, sir; I was not.

THE CHAIRMAN: Out of this evidence to-day I would suggest we should have a motion authorizing the manager at the Bank of Toronto, Stratford, to attend and produce his book.

Q.—Is the same man still there?

A.—I believe he is—G. L. McHattie.

THE CHAIRMAN: It is a rather delicate thing to go into an account, but I think there is ample justification for it now.

The Committee then adjourned until Friday morning, April 11th, at 10 A.M.

PUBLIC ACCOUNTS COMMITTEE

Friday, April 11, 1924, 10 a.m.

HON. MR. MCGARRY: Mr. Chairman, I wish to be heard before this Committee. Articles are being published in the papers that I want to answer.

MR. SINCLAIR: Before the Hon. Mr. McGarry speaks—there is no objection to his making the statement but I want it understood that he will be subpoenaed when I want him here.

MR. MCGARRY: I will be here every day you want me, every day and every hour I will be at your service.

I have read these editorials in the *Toronto Globe* carrying inferences that if I did not get the money myself there was a campaign fund being carried by somebody. I was under oath the other night before this Committee and I now repeat what I said then, that I never got five cents from the Home Bank or anybody connected with it; and I will go further and say that I know of no

campaign fund, that I never received any money from the Home Bank in any way, for campaign fund or anything else, and I defy the *Globe* and Mr. Sinclair and all the leaders of the Liberal Party to—

MR. SINCLAIR: Now were are not going to turn the Public Accounts Committee into a political meeting, and I think it ill becomes the ex-Provincial Treasurer to come here and volunteer a statement and then start to revile the *Globe* and Mr. Sinclair and the Liberal Party.

HON. MR. MCGARRY: I did not take this thing up with any idea of politics at all, and if I have to submit to argument by a member of this Committee showing his bias—

MR. SINCLAIR: As long as it is distinctly understood that I have the privilege on whatever day the Committee decides to hear Mr. McGarry of examining him on all matters that I desire I am not going to get into a quarrel this morning. But I want it distinctly understood that while he comes here and makes a voluntary statement it is not my intention that he or any other man shall get away without being examined by this Committee under oath by question and answer.

HON. MR. MCGARRY: I am under oath now.

HON. MR. PRICE: There is this about it; when a man comes here and volunteers to give evidence, this is a large committee and he has been here twice, this is the second time, we have been sitting for weeks, there should be someone here who can ask him the questions. There is no objection to him coming again any time, but there should be someone here who could ask the questions if it is so patent as has been suggested.

MR. SINCLAIR: I saw you yesterday, I knew you had other witnesses and I did not prepare, I do not want to examine on a lot of irrelevant stuff, but I do want to go into this thing properly, probably half an hour's examination would be sufficient. But this turning the Public Accounts Committee into a political meeting I protest against, because we have taken it on a high plane this year, I am willing to give you high credit for that, and I want it to continue that way.

THE CHAIRMAN: The position is that Mr. McGarry is naturally feeling that certain reflections have been made upon him by a prominent local paper, and I suppose anyone feels it, and I think it is to his credit that he has come here instead of waiting until the end to take advantage of all that is said and then come along with a worked-out plan afterwards. No I do not think we want Mr. McGarry in attendance every day, it is in the Committee's hands, but when a man comes forward and says: I am here, it is rather refreshing, it is not what we have met with in the case of some other witnesses. You have not had the difficulty of trying to get witnesses that we have, a witness who will come and come repeatedly is saving the Committee a lot of trouble.

I feel that you should have the opportunity to cross-examine, and if Mr. McGarry makes any statement to-day that you want to examine on I think it would be convenient to do it now.

MR. SINCLAIR: I absolutely refuse to cross-examine Mr. McGarry to-day. If you are going to turn this into a political meeting let the Province know it now.

THE CHAIRMAN: This is not going to be turned into a political meeting at any time, and there are not going to be any political speeches, it is the ruling of the Chair as to both Mr. McGarry and you.

MR. SINCLAIR: Mr. McGarry immediately launches an attack on me, I have not said an unkind thing about him.

HON. MR. MCGARRY: I am not launching an attack on you but on the *Globe*.

THE CHAIRMAN: I am not going to allow either Mr. Sinclair or Mr. McGarry to turn this into a political meeting.

HON. MR. MCGARRY: I wish you would.

THE CHAIRMAN: Just at present Mr. McGarry is exercising the right of anyone to come here and make a statement, and he is going to be allowed to do it. He will please confine himself to his statement.

HON. MR. PRICE: Probably Mr. Doherty will have some questions to ask.

HON. MR. DOHERTY: I may or may not, I have not thought of the matter at all.

HON. MR. MCGARRY: Everyone seems most modest about me this morning.

MR. CLARKE: Mr. McGarry says he can come here any day in the future and will come. If he makes a voluntary statement this morning, which I have no objection to, that will not bar out his coming again if required next week?

HON. MR. MCGARRY: I will be here any time you may call me.

Now the statement has been carried in the *Globe* for the last week inferring that while I gave evidence the other day there was some campaign fund, that is the inference in the article in the *Globe* of April 8th. I want to make in the most explicit possible way the statement that nobody within my knowledge, neither myself nor anybody in my Department nor anyone in the Conservative Party, ever received five cents from the Home Bank or anybody connected with it. Now is that wide enough?

MR. SINCLAIR: I am not asking you.

HON. MR. MCGARRY: I am just enough of a politician to know exactly what is passing in your mind. If the *Globe* can continue repeating these articles every day and trying to throw mud on the Conservative Party they will do it, and I can quite understand your reason for not asking me any questions this morning. I know you all.

Now I say I am making my statement as broad as I can, and I am willing for any man to come and meet me here, and I would like to meet the editor of the *Globe* and the man who pussyfooted into his office last Sunday night and Monday night and Tuesday night, and Mr. Doherty knows something of the man I mean, I think.

HON. MR. DOHERTY: Now Mr. McGarry can pull off this kind of stuff with some people—

THE CHAIRMAN: Now just a minute. Someone has to run this Committee. If you have any objection to make, make it. Have you any?

HON. MR. DOHERTY: No, I have heard lots of that stuff.

HON. MR. MCGARRY: Now I hope I have covered that portion of the evidence; if anyone wants to ask me any question now is the time. They claim that the Home Bank carried heavier deposits in 1919 than at any other time. The inference is that I was favouring the Home Bank. That is true, I said that the other night on oath, I did favour the Home Bank, I say it now. The Home Bank was recognized as a Catholic institution, everyone in the Province of Ontario knew that. I told you the other day when I was here that when I became treasurer one of the directors came and asked me to give them more deposits. I did so. Many of the directors are personal friends of mine. During my time as treasurer I did favour the Home Bank, and I am not ashamed of anything I did with the Home Bank.

Now it is quite true that in 1919 the deposits were heavy. But why does not the *Globe*, when it quotes the amount of interest paid the Province in 1919 by the Home Bank and compares it with the amount of interest obtained from the other banks in which we had deposits, and draws the conclusion that we had twice as much money in the Home Bank as any other bank, if it wished to be fair why doesn't it compare 1917 and 1918? I have these figures, you can get them in the Public Accounts, that is the only place I can get them, I have never seen the files in my former department but I have the figures—

A MEMBER: What about the \$1,000 bills?

HON. MR. MCGARRY: The figures of the deposits that the *Globe* overlooked mentioning. They claim that in 1919 the Home Bank paid \$53,000 or \$63,000 interest and the next highest bank \$40,000 or \$45,000; that is quite true. We were doing a much larger business in 1919 than we had ever done before, we were carrying much more money in every bank, the analysis will show that. But while there was twice as much interest obtained from the Home Bank in 1919, I find that in 1918 the Home Bank paid us \$32,000 and the next highest bank paid us \$9,000. That means it was more than three and a half times as much interest obtained from the Home Bank in 1918, and this was before the celebrated toll gate was established, this was at a time when there was apparently no inducement to anyone, political or otherwise, to get the Home Bank to give them deposits.

I go back to 1917. In that year the Home Bank paid \$25,000 and the next highest \$9,000, almost three times as much. No toll gate established at that time.

Now what was the inducement for me to give the deposits to the Home Bank? I have already told you, I admit I did everything I could in a proper way and consistent with my oath of office and my honour and integrity as the Treasurer of Ontario to favour the Home Bank. Therefore there have been times in the history of that institution when I even made a special effort to help the Home Bank, and I want to say this much, that in 1919, I think in May, at the end of the fiscal year, the only time in the history of the bank, I did place a deposit to their credit in order to help their annual return out. It was not with the idea of fooling the public or the shareholders, but I had understood from Mr. Haney who was then the president of the bank or at least was an officer of the bank, that they were endeavouring to get their deposits up to \$20,000,000, so I helped the bank, that time only; but anything I did in that way is on record in my Department, I have never done anything in my life that is not on record in the Department with regard to the office which I held from 1914 to 1919.

Now the *Globe*, in winding up this article, says it is very desirable to have Charles Mathews, who was private secretary—it is wonderful how the *Globe* can impress people with the idea that Charles Mathews was my private secretary and it is wonderful also how they stress so much my commendation of Mr. Mathews the last time I appeared here; that is right, Mr. Mathews was a good private secretary. I would welcome the appearance here of Mr. Mathews, I would welcome the appearance of every person in my Department while I was Minister, and I would welcome in this tribunal every person connected with the Home Bank, and I defy anybody to say that I had five cents from anybody. I hope that is wide enough.

Now Mr. Mathews was my secretary during the whole time I was there, he was not Deputy Minister, I was the head of my Department and I take full

responsibility for everything I did. They tell me, I do not know with what truth, that Mr. Mathews felt rather sore because I used to boss him so much. I did, I always boss anybody that is under me.

A MEMBER: And some who are not.

HON. MR. MCGARRY: And for everything that took place during the time I was Provincial Treasurer I accept full responsibility.

Now with regard to the events that took place in 1919, they are on record in the Department. I have not had an opportunity of reading these papers which are in your possession, Mr. Treasurer, but I will welcome very much having them placed on the records of this Committee. If there is anything requiring explanation I will be glad to give it. I will be glad to come back each day that my friend Mr. Sinclair may require me here, I will be glad also if the Committee see fit to bring the editor of the *Globe* who wrote these articles, so that we may have any information he has.

MR. SINCLAIR: Not the same day you are here though.

HON. MR. MCGARRY: I never saw the man in my lifetime that I am afraid of, I will be here, don't worry. And as Mr. Ferguson said in the House the other day very properly, when you are chasing me around the stump I will not be many laps behind you. Now having said that much—

HON. MR. DOHERTY: By way of introduction—

HON. MR. MCGARRY: It may appear peculiar that I am here this morning volunteering my evidence, but I want to say—now I am speaking to Mr. Lyon particularly, the editor of the *Globe*—these articles are written with the express purpose of bringing into the work of this Committee politics, and rotten politics, and I am under oath when I say this, I know what I am speaking of. I would like to ask Mr. Lyon, the editor of the *Globe*, to consider the fact that I have a family, and my name is as precious to me as any man's name, and I intend to defend that name.

I would like Mr. Lyon to go and see a play which has been shown at the Victoria Theatre this week, it is probably the best exposition of the argument I want to make before this Committee that I have ever heard. The play opens with a woman, young in years, who by reason of what takes place is affianced to a man much older than herself, and without going into the particulars, a young and ardent lover shoots the old man—

MR. SINCLAIR: I do not think Mr. Lyon would like to go to that play.

HON. MR. MCGARRY: You did not know Mr. Lyon when I knew him. What I want to say is this, the result is that both men are shot, that is, the lover shoots himself and the old fellow is killed of course, and the point I want to make is that this great city newspaper undertakes to kill this woman's reputation. She is assailed as a gay woman who through different avenues leads these people on to their own self-destruction. Finally this woman goes down to the Southern States. An editorial is prepared attacking this woman, her virtue and everything. After the paper goes to press, while they are printing thousands of copies every moment, the editor and proprietor of that paper finds out that his own son is in love with that woman they are attacking. What is the result? Move Heaven and earth to stop the presses.

It is very well for an editor of a paper to attack a man, but if he stopped to think that there are others besides the man he is attacking affected by that kind of thing he surely would not write editorials such as I see here. What I say is, Gentlemen of this Committee, that I will be here every moment your Committee is sitting, I will give you my house address and my office address

and I will be ready every moment, even though I do not do a tap of work from now until this Committee is finished.

I would like to say this much also, that I was wealthier when I went into the Government than when I went out. I had a big law practice, I made \$25,000 a year, and I have made it every year since I went out of the Government. I have an earning capacity that would not induce me for anything to accept \$42,000 or \$12,000 or \$50,000 or \$100,000. I am not of that breed, and I challenge those who try to traduce me to bring one bit of evidence to prove that I ever took five cents.

THE CHAIRMAN: Does any member want to ask Mr. McGarry anything?

COL. CURRIE: The *Globe* has been insinuating that it was somebody else than Peter Smith who got the money for a certain cheque for \$15,000. You never saw that cheque?

HON. MR. MCGARRY: No. I can go further than that; when that cheque was cashed, if I read the reports correctly, on the 15th or 18th of December, I was not in Canada, I was down at Frenchlick Springs having a holiday, I was there for two weeks, between there and Chicago, consequently I could not have received the money. But I give an explicit denial, I never saw it, I know nothing about it, I received no money.

HON. MR. DOHERTY: I quite appreciate that Mr. McGarry is taking the earliest opportunity, even though Mr. Sinclair is not ready to conduct the examination and subpoena him, I quite appreciate Mr. McGarry wishing to take the earliest opportunity to make his statement. The articles he referred to were no doubt the reason for his appearance here. But I would also point out to him that he is not alone, there is another man, his successor, about whom articles have appeared in the press fully as damaging, and with no more evidence in support of them than there is for the articles that appeared in the *Globe*.

HON. MR. PRICE: Oh, that is not the fact surely?

THE CHAIRMAN: If you want to ask a question do so.

HON. MR. MCGARRY: I would like Mr. Doherty to continue as far as I am concerned, I know nothing about Mr. Smith, my knowledge of him is of the very highest possible. I think it is unfair, I agree.

HON. MR. DOHERTY: One of the matters under investigation with Mr. Smith is a part of the very same transaction that is referred to by the *Globe*.

HON. MR. MCGARRY: Do you want to ask me any questions about any transaction?

HON. MR. DOHERTY: Yes, because it might bring out some information that may enlighten us.

Now the loan which was made September 23rd, an offer made by the Home Bank to you and accepted by you on the same date, \$4,000,000 (offer and acceptance read). Previous to the offer by the Home Bank and your acceptance of the same were there any negotiations in reference to this issue of \$4,000,000?

HON. MR. MCGARRY: Yes, when I put through the loan early in September on the treasury bills, I swore to that the last night I was here, I had given the bank an undertaking that I intended to put on a loan at $5\frac{1}{2}$ per cent. I was endeavouring to bring down the rate of interest, I told you I had to borrow money from the Dominion Government at $6\frac{1}{2}$, I felt the rate was too high and I wanted to bring the rate to the Province down, I said I would put out permanent securities at $5\frac{1}{2}$, so when I put through the first loan in September I told them that. On the 23rd of September, if I recollect rightly, Mr. Mason came and saw me in the morning, he said: I think we can put through these permanent securities.

I said: If you can give it to me in writing, you make a firm bid and if your bid appeals to me as a fair rate I will accept. In the meantime, as I said the other night, I had looked into the market, I decided that 94.48 was a good offer for $5\frac{1}{2}$ per cent. ten year bonds, and I accepted the moment they gave it to me, because I was mighty glad to get somebody who would buy our bonds at that time.

HON. MR. DOHERTY: Then they paid the Province at the rate of 94.48 right through?

HON. MR. MCGARRY: Yes.

HON. MR. DOHERTY: It has been said, this is all that is on file in reference to it—

HON. MR. MCGARRY: Well, I do not know; you have more privileges than I have.

HON. MR. DOHERTY: Just the two letters, their offer and your acceptance. Now do you know at what price the Home Bank sold them?

HON. MR. MCGARRY: No, I do not, it did not concern me at all; I made what I considered a good deal, the Home Bank held them as the evidence shows, I think, for two and a half months. I told you at the time I sold this a Victory Loan was on, you could not get a broker in Toronto to handle a bond—I wish you would get all the brokers to corroborate me—so I was providing for money and I think I was very wise, because I find a return brought down in the House that proves that the Province borrowed within a few months at a rate over 7 per cent. I borrowed that at a net cost of $6\frac{1}{4}$ in a bad market, at a time when the Dominion Loan of \$700,000,000 was being put on the market. I considered that a good loan and I will defend it anywhere.

HON. MR. DOHERTY: The fact that the Home Bank sold it at a profit—

HON. MR. MCGARRY: That makes no difference to the merit of the loan. You referred to the fact that you are defending your colleague in the cabinet, I would not say one word against Mr. Smith on any loan, because I am going to tell the public of this country that money varies, and varied so often in 1919 that what might appeal to a person to-day would not appeal to-morrow, and we had to use our best judgment. And that I used good judgment is amply borne out by the fact that if you follow up the loans made in the next year, 1920, within a few months, you will find that the treasury was forced to pay much more. That proves nothing against Mr. Smith; I think Mr. Smith was perfectly correct in every respect, and I think, as I told you the other night, that the principle of buying these bonds was right, and I am not going to say one word against him. I never have said a word against him as to the principle, I hope I make myself clear?

HON. MR. DOHERTY: I am not making any contention. The bonds were sold by the Home Bank to a syndicate?

HON. MR. MCGARRY: Now you are going into something that I know nothing about, it is on record, let the record speak for itself. They were sold two months after I left the Buildings. But if you will permit me I will tell you something which perhaps you already know, if you have been speaking to Mr. Smith.

HON. MR. DOHERTY: No, I have not.

HON. MR. MCGARRY: I wrote Mr. Mason, the manager of the bank; the understanding was, if I recollect rightly—I am speaking of something that took place five years ago—that this money for the loan should be paid in by the 31st of October. It was not paid in. So when I came back after the election I

wrote a letter to Mr. Mason asking why this money was not paid in. I was sick the last four days that the Government was in power; I was not there during the last four days of our regime and our establishment had to fix up my papers. (I was celebrating the victory of Mr. Doherty).

What I want to say is, I wrote asking why they had not closed the loan, and the answer came after I had left and my staff packed up this stuff and sent it down to Renfrew, my home, and as I told you, I left in December, went to French Lick Springs to thaw out and fix up. So anyway the Hon. Mr. Smith had his secretary, who was my secretary while I was there, Mr. Mathews, telephone to me at the King Edward Hotel asking if he could see me. I said I would be delighted, and invited him to dinner, and he came down shortly after you (Mr. Doherty) went in. We discussed everything in connection with the Department; we discussed the question of buying these bonds, and I told Mr. Smith, as I tell you now, that I thought the principle of buying these bonds was a good one if they could get them at a proper price. We talked everything over and he said: This loan which you put through, that is going through rather, through the Home Bank, you know I think I might be able to get that money a little cheaper. I said: If you can, Mr. Smith, why don't you cancel the arrangement with the Home Bank, indemnifying it against any loss and cancel it altogether? He said he did not like to do that. The reason I tell you that is this, I did not consider that loan was closed. As a matter of fact when I gave my evidence a week or ten days ago, I thought that loan had never been put through by me, that is candid, and that will show you that I really had no particular recollection about that. But now I see the files show that I accepted that, and you know persons who are too quick to judge me come to the conclusion that because the offer was made and accepted the same day it was wrong. I do business that way; I never made a loan in New York or Toronto or any place that I did not accept it like that.

HON. MR. DOHERTY: They would not allow you to do anything else, you have to accept the same day.

HON. MR. MCGARRY: Yes, you will get a quotation to-day and if you do not accept it promptly it is withdrawn.

HON. MR. DOHERTY: The reason I asked the question, I understood you to say in your evidence the last time that there was an understanding with the Home Bank that if there was a profit made by them over $1\frac{1}{4}$ per cent. the excess was to come back to the Province.

HON. MR. MCGARRY: No, I never said anything of the kind, there was never any such thing mentioned, I do not know where that idea got out. I accepted the offer of the Home Bank as I understood it for the sale of treasury bonds at a discount of $6\frac{1}{2}$ per cent.

THE CHAIRMAN: On a basis of $6\frac{1}{2}$ per cent.?

HON. MR. MCGARRY: Yes, I said I gave them an undertaking that I was going to put out $5\frac{1}{2}$ per cent. five-year bonds, but eventually it was a ten-year issue, and that I would give them the first opportunity of bidding for them.

HON. MR. DOHERTY: Mr. Clarkson in his evidence said that he had been informed by those in the bank, particularly mentioning Mr. Fleming, who was in charge of the Bond Department, that there was an arrangement that anything in excess of $1\frac{1}{4}$ per cent. was to go back. You know nothing of that?

HON. MR. MCGARRY: No; I never made an arrangement that is not on file.

HON. MR. DOHERTY: There was no arrangement between you and the

manager of the Home Bank, then. The manager of the Home Bank apparently created an atmosphere within the bank that there was such an arrangement in existence. As far as you know, and you would know, there was no such arrangement ever mentioned by you?

HON. MR. MCGARRY: No, none at all.

HON. MR. DOHERTY: We will find out from Mr. Fleming later in what manner that feeling or understanding was created in the bank.

We notice that \$42,400 was the first entry in the books by way of a charge against the profits on that loan. I may say the loan was sold to the syndicate of Ames, Dominion Securities and Wood, Gundy, I think, for \$96.85.

HON. MR. MCGARRY: What do you want to ask? I would prefer that you would not put too much of a speech on the record. What I want to say is I know nothing about such an arrangement, my arrangement is in writing.

HON. MR. DOHERTY: But those are the figures they sold at, and the books show that the excess profits over $1\frac{1}{4}$ per cent. was transferred into a special account.

HON. MR. MCGARRY: I say there was no such arrangement with me of any kind. I cannot make it too clear.

HON. MR. PRICE: Mr. Doherty has stated that the \$42,000 was the first entry. It was not the first entry, the \$15,000 was the first entry in the account.

MR. MCGARRY: I do not want to be cross-examined about what took place in the Home Bank. I have told you I favoured the Home Bank, and my reason for it, and I am telling you now every arrangement I ever made with the Home Bank is in writing and on file, and I deny any knowledge of any $1\frac{1}{4}$ per cent. or any other per cent.

HON. MR. DOHERTY: No matter what the Treasurer says, in the journal of the Home Bank the first entry made transferring money out of the profits of the Bond Department into this special account was this \$42,400.

HON. MR. MCGARRY: Well, why do you ask me when I deny knowing anything about it? I hope it is not for propaganda purposes, I know you would not do that.

HON. MR. DOHERTY: I am glad someone appreciates me at my true value. The first of these was the \$42,000?

HON. MR. MCGARRY: So you say, but I am going to tell you \$42,000 does not amount to very much to me because I have been handling millions after I left the Government in a business way. I commanded a salary very much above even what you make to-day.

HON. MR. DOHERTY: Yes, we do not all get our just deserts.

HON. MR. MCGARRY: I know you want to be fair; do not put on the record a lot of speeches about \$42,000. I have denied and deny again that I know anything about any arrangement.

HON. MR. DOHERTY: I am going to ask you one question and you are going to answer it. There is one entry of \$42,400 transferred to suspense account by Col. Mason and paid out by Col. Mason in cheques.

HON. MR. MCGARRY: You mean that is what the books show.

HON. MR. DOHERTY: Yes. Then in December there is a cheque cashed charged to the same account, as a rebate to the Province—both of them being rebates to the Province.

HON. MR. MCGARRY: This is where you want to insinuate that I go that \$15,000?

HON. MR. DOHERTY: No, not at all.

HON. MR. PRICE: Now when Mr. Doherty speaks that the \$42,000 item was transferred before the \$15,000 item that is not correct. According to the statement the \$15,000 item was on the 15th of December and the \$42,000 item on the 19th. The \$15,000 was paid from the Bond Department direct to the Provincial Treasurer, or in his name, on the 15th. The \$42,000 was checked to Col. Mason's account and then checked out by him. These are two different things, there is no use confusing the witness, he has not the papers before him and there is no use putting it before the Committee wrongly. You do not mean to, I know.

HON. MR. DOHERTY: I do not, because I am right and you are wrong.

THE CHAIRMAN: Put your question without making a long speech, and then if Mr. McGarry wants to answer—

HON. MR. MCGARRY: I want to tell the Treasurer that I went down to the Home Bank books and my statement in regard to these journal entries is right.

THE CHAIRMAN: But you are not giving the evidence.

HON. MR. DOHERTY: There was this \$42,400 which went through the books and journals of the bank.

HON. MR. MCGARRY: Well, please do not say that as a positive fact, you are quoting from something that has been given in evidence.

HON. MR. DOHERTY: By Mr. Clarkson. Then later there was \$15,000 cheque went through, charged up to the same account, rebate to the Province.

HON. MR. MCGARRY: To whose order does the counterfoil show the cheque was made payable?

HON. MR. DOHERTY: The \$15,000 went through the bond department.

HON. MR. MCGARRY: I did not ask you that, be fair, tell me what name was on the counterfoil of the cheque.

HON. MR. DOHERTY: In the bond department the stub of the cheque sets forth "To the Provincial Treasurer," and underneath it "Hon. Peter Smith, \$15,000." Now the \$42,400 went through first, the \$15,000 afterwards. They are both charged to the same thing, rebate to the Province. Would you think there was any reason why one of those should go to one party and the other to another?

HON. MR. MCGARRY: Well, Mr. Doherty, I don't know a damn thing about it. (It took me a long time to work up to that.)

HON. MR. SINCLAIR: No more volunteer witnesses here.

HON. MR. DOHERTY: In our evidence here a few days ago considerable stress was placed on the fact—

HON. MR. MCGARRY: By whom?

HON. MR. DOHERTY: By all, that it appeared from the memo that General Manager Mason kept on his desk that Treasurer Smith made frequent visits to the bank.

HON. MR. MCGARRY: I suppose you are going to ask if I made frequent visits. I did not, I was in the Home Bank only once while I was Provincial Treasurer, that was in 1917; I never was there at all in 1919, I never had occasion to go there. There was no toll gate as far as I was concerned.

HON. MR. DOHERTY: The fact that Mr. Smith made frequent visits—

HON. MR. MCGARRY: Please do not involve me in something I have nothing to say about. I am dealing with my own time.

HON. MR. DOHERTY: You say you were not involved in any toll gate. I did not make any such suggestion.

HON. MR. MCGARRY: I am dealing with the *Globe*, these wonderful articles, and I happen to know the man who wandered into the *Globe* and had that article written.

HON. MR. DOHERTY: Some friend of yours?

HON. MR. MCGARRY: A friend of yours. You are putting nothing over me at all, I know all that is going on.

MR. GRAVES: I am not particularly acquainted with Mr. McGarry, and apparently he is under considerable strain—

HON. MR. MCGARRY: Who is under considerable strain?

MR. GRAVES: What I want to say is, we are trying to get along, and to those on the Committee there is considerable of this discussion that is more or less irrelevant, and I would say if Mr. McGarry would just take it a little easy and if Mr. Doherty would come to the point, we would get somewhere a little faster. I say that in quite a friendly way.

HON. MR. MCGARRY: Well, Mr. Doherty and I are Irishmen.

HON. MR. DOHERTY: Your statement was that you were only in the Home Bank once?

HON. MR. MCGARRY: No, I did not say anything of the kind, I said I was only there once that I recollect during the time I was Provincial Treasurer. I used to make the Home Bank come to my office, I was Provincial Treasurer and I had some dignity about the office. I am not saying that in any disrespectful way about my successor, but while I was Provincial Treasurer every thing I did went down in writing and was there.

COL. CURRIE: You would infer from these articles in the *Globe* that the editor knew a whole lot about this investigation, wouldn't you?

A.—Yes.

Q.—Anyone reading these articles would naturally conclude that the *Globe* had two objectives, one to stop up this investigation, the other that they had a lot of news they wanted to spill to the public.

HON. MR. MCGARRY: Well, one has to read them according to his own mind, but I am here by reason of these articles. I would have been here on Wednesday, only I found the Committee was uncertain when they would meet. I understood the Private Bills Committee was considering this Church Union Bill and so there was some uncertainty. I was in public life in this House, and a member of this Committee for fifteen years; I am not afraid of any man with regard to my public life. That is all. That sums up everything.

PUBLIC ACCOUNTS COMMITTEE

April 11th, 1924, Friday, 10 A.M.

Harry Pepall called; sworn; examined by Hon. W. H. Price, K.C.

Q.—What is your full name?

A.—Harry Gilmore Pepall.

Q.—Mr. Pepall, you are with the firm of Æmilius Jarvis?

A.—Yes, sir.

Q.—And what position do you occupy here?

A.—General manager, sir.

Q.—What position did you occupy in 1919?

A.—Sales manager.

Q.—That is for the whole Province?

A.—For the whole Jarvis organization, yes.

Q.—And how long did you continue as sales manager?

A.—I should say for approximately two years, sir.

Q.—That would take up to what time there, 1920?

A.—Up until 1921.

Q.—What month?

A.—I think until September, 1921.

Q.—Then you became general manager of the company?

A.—Yes, sir.

Q.—Before you were general manager, Mr. R. R. Rogers was general manager?

A.—He was manager of the bond department, yes, sir.

Q.—Was he general manager?

A.—There was no general manager. It was a partnership.

Q.—Was he manager of the company then?

A.—He was the manager of the routine of the organization, yes.

Q.—And do you remember when he was discontinued in that position or resigned that position?

A.—I cannot remember the exact date, sir, but I imagine it would be some time in 1920.

Q.—When you say some time, would it be in the spring or summer of 1920?

A.—I think the summer.

Q.—Did you assume his duties then?

A.—I had his duties at that time.

Q.—What work did he take up then?

A.—He became manager of N. A. MacDonald.

Q.—But before he left, he was on some other work?

A.—He went on the road for us.

Q.—How many months was he on the road before he left the company?

A.—Three or four.

Q.—Well, that tallies pretty well with what he said. Now Mr. Rogers gave evidence here to the effect that you made an arrangement, you asked him to make an arrangement to pay commissions to your brother, Andy Pepall, do you recollect that?

A.—I hardly recollect asking Mr. Rogers to make such arrangements. I think that it more or less came up as a matter of course, that is to say, I don't think there was a specific question at the time. It just simply grew.

Q.—He swears that he made the arrangement with him at your request?

A.—He may have.

Q.—Did you think you had made it yourself?

A.—I presume that would be the case, yes.

Q.—Then was Mr. Rogers present at the time the arrangement was made?

A.—I hardly think he was. He probably was. I don't know whether he was or was not as a matter of fact. It would not matter which, whether he was or not.

Q.—No, it is just a question of recollection. The arrangement was made in what, 1919?

A.—1919 or 1920; 1919 I imagine, shortly after the new Government came in.

Q.—December, 1919. Well, then, was your brother Andy in the office at that time?

A.—A. H. Pepall was not in our organization.

Q.—Did you call him down to the office and have a talk with him?

A.—I don't know whether we called him down or he wandered in, as it were.

Q.—Had you talked it over with him before?

A.—I dare say I had, sir, yes.

Q.—Try and be specific?

A.—Well, it is very difficult. I should say I would, yes.

Q.—I would expect that, he was your brother?

A.—Yes.

Q.—What did he say to you when he asked you to make this arrangement?

A.—He said he knew Hon. Peter Smith quite well, and that immediately occurred to me, that we would like to get an introduction to the Hon. Peter Smith through my brother, A. H. Pepall. We got that introduction.

Q.—Now, just when you say you got that, did he take you up to the Buildings and introduce you to Mr. Smith?

A.—Mr. Jarvis and myself went to the Buildings and met Mr. Smith.

Q.—With your brother?

A.—With my brother, yes.

Q.—Can you recollect, was that in the first part of December?

A.—I don't know when it would be. That is a long time ago. I should think shortly after he was elected.

Q.—After Mr. Smith was elected?

A.—Yes.

Q.—He came in on the 14th of November, 1919?

A.—Well, I don't know about that. It would be shortly after he was made Treasurer.

Q.—Where was this arrangement talked over with your brother?

A.—In our office.

Q.—Before reaching your office, had you and your brother talked it over?

A.—No, sir, not to my knowledge.

Q.—And your brother told you that he thought you could get business, the firm could get business from the Hon. Peter Smith?

A.—We intimated to him that we would be glad to get business from the Provincial Treasurer.

Q.—But that was not the first thing you told us that he told you, that Andy Pepall told you that he would introduce you to Mr. Smith?

A.—That he would introduce us, yes. We asked him to introduce us.

Q.—With a result, and that would be business for your firm?

A.—Possibly, if we paid the price.

Q.—Well, what was the price indicated by him?

A.—The price indicated, sir, was—Mr. Smith informed us of the fact that \$4,000,000 bonds had been sold at approximately 94.48.

Q.—The date?

A.—September, October and November, I believe the issue was sold \$4,000,000 of 10-year 5½, due September, 1929, payable Canada and New York. And he asked us for a bid on the market at the time. We knew approximately that the syndicate that handled the \$4,000,000, that was referred to here short while ago, bid somewhere around 97. We bid 97.76 for an issue \$3,000,000. We were very glad to get them, sir. That was practically a point over the price the old syndicate handled them, and something slightly over per cent. over what the four millions had been sold a month prior.

Q.—Was that the reason why Mr. Smith was prepared to give you this issue?

A.—Because we were better. We went up and offered a price which was in excess of prices at which we understood the old syndicate—

Q.—This was for a subsequent issue?

A.—Quite right.

Q.—You are referring to the issue in September?

A.—The issue that was sold on the street in November and December.

Q.—It was sold on the street along in December?

A.—In December, yes.

Q.—After this time?

A.—Our offer was two or three weeks after the offer of Ames, Wood-Gundy, Dominion Securities.

Q.—Your offer on these was after the sale of this issue?

A.—Exactly.

Q.—By the firms who bought?

A.—For which we paid one point more—more than one point more.

Q.—I realize that. And what did Mr. Smith say to you on this issue when you made the offer?

A.—We simply sent him a letter offering to buy \$3,000,000 of bonds which we understood were his requirements, at what we considered the market, 97.76. We figured that as the market price.

Q.—Was your brother, Andrew Pepall, there at the time?

A.—No, sir.

MR. DOHERTY: What was that?

A.—97.76, Canadian funds, 5½, 10-year bonds, due December, 1929.

Q.—That was issued 1st December, 1919?

A.—I don't know whether it was, but it was December—

MR. PRICE: Well, it is. What I am pointing out to you and what I want you to get your mind running on is that the \$4,000,000 was not put on the market until December?

A.—Quite right. It was put out on the market in December and I should say—you see market protection is a big feature in the making of any issue, and running through our minds, judging our price, was the fact that there were \$4,000,000 on the market at the time when we offered and sold.

Q.—It was after this that you made the arrangement with Mr. Smith?

A.—I should think it would be.

Q.—Then it must have been some considerable time before that that you made the arrangement with your brother, for a certain percentage on Government business?

A.—We offered A. H. Pepall a quarter of one per cent. on such business as we could get, and the fact would be if this price had been 99 we would not have wanted the business and therefore we would not have paid a quarter of one per cent.

Q.—You offered to give A. H. Pepall, who was friendly with the Minister, a quarter of one per cent on such business as he would get that was satisfactory to you at your terms?

A.—Such business as we should get as a result of his favourable introduction to the Minister.

Q.—Well, do you recollect having made that arrangement? When was the first payment made according to that arrangement?

A.—I have the cheques here, sir, of all payments. Unless that \$12,500 item which was stolen from us was prior to this I presume this is the*first.

Q.—What is the date of yours?

A.—January 1.

Q.—The other was March 3rd. Mr. Pepall produces—are these the only cheques?

A.—These are the only cheques.

Q.—Mr. Pepall produces a cheque of Æmilius Jarvis & Co. dated January 10th, 1920, in favour of Æmilius Jarvis, Jr., \$7,500, signed by Æmilius Jarvis, Jr., and endorsed by him. On the back of it is seven \$1,000 and one \$500.

Exhibit 129.

Q.—Well, Mr. Pepall, the first loan apparently put through was on the 1st of December, 1919?

A.—I don't know. Well, I could tell from here.

Q.—Was this \$7,500 cheque a payment of commission to Andy Pepall?

A.—Yes, sir.

Q.—On the first \$3,000,000.

A.—The first \$3,000,000.

Q.—Now that first \$3,000,000 was the 5½ 1st of December, 1919, for 10 years, and brought 97.76 as you say?

A.—\$90,000 over the last price.

Q.—And this cheque is dated January 10th?

A.—Yes, sir.

Q.—Was there a payment of any kind made prior to that?

A.—No, sir.

Q.—This was the first payment?

A.—That is the first.

Q.—Now why would that be made out to Æmilius Jarvis, Jr.?

A.—In order that Æmilius Jarvis, Jr., might endorse it and have someone go and get the cash.

Q.—Well, was that the custom of your firm to make it out to individuals?

A.—We never had an experience quite like this before, sir.

Q.—Did you give instructions for this to be made?

A.—No, sir; I don't know who would. I might have.

Q.—Mr. Rogers says he was requested by you to make out the cheque?

A.—He has got a very vivid memory, which I have not got, sir.

Q.—You did not eventually make it out, then?

A.—I did not make it.

Q.—Is this your handwriting?

A.—No, sir.

Q.—Whose?

A.—I imagine one of the clerks, sir.

Q.—I see it is not countersigned?

A.—It was a partnership then.

Q.—Well, the others apparently are countersigned?

A.—Well, it depends who signs it. A member of the firm, Mr. Æmilius Jarvis, signing it it is not countersigned, countersigning it is not necessary; the others were signed by signing officers of the company.

Q.—So there is no significance in the fact that it is not countersigned?

A.—None at all.

Q.—He had the power to sign alone?

A.—Yes, sir.

Q.—Æmilius Jarvis, Jr., was one of the members?

A.—Yes, sir.

Q.—And who were the others?

A.—Æmilius Jarvis.

Q.—You were not a member and would not have that right?

A.—No, sir. Well, I was out of town most of the time.

Q.—Do you recollect, did you get this money?

A.—No, sir.

Q.—Did you cash the cheque?

A.—No, sir.

Q.—Who was it?

A.—One of the clerks.

Q.—Went over to the bank and got the money?

A.—I presume.

Q.—Can you recollect to whom he gave it when he came back with the money?

A.—I presume he would bring it to Mr. Jarvis or myself.

Q.—And was it given to your brother in your office?

A.—I think it was, sir. At least I have reason to believe it was.

Q.—You were present at the time?

A.—Yes, sir.

Q.—Was Mr. Jarvis there?

A.—I think he was.

Q.—Would it be fair to say that the seven \$1,000 bills and one \$500 bill was handed over to your brother in the presence of yourself and Mr. Jarvis and Mr. Æmilius Jarvis, Jr.?

A.—I should think so, sir.

Q.—Was it handed over on the same date as the cheque indicates?

A.—I presume it would be. I don't think we would—it may have gone into the safe—I don't think so.

Q.—This is drawn on the Canadian Bank of Commerce, marked head office?

A.—Toronto branch.

Q.—Then Mr. Pepall also produces cheque dated January 29th, 1920, to Æmilius Jarvis, \$5,000, signed by D. F. M. Sykes, and countersigned by Nevitt, and endorsed by Æmilius Jarvis.

Exhibit 130.

And this cheque on the Canadian Bank of Commerce, I see it is signed by Sykes and countersigned by Nevitt?

A.—Yes, sir.

Q.—Neither of these being members of the firm?

A.—No, sir.

Q.—Mr. Pepall also produces cheque for—what is that?

A.—Joint account; debit joint account.

Q.—Cheque for \$1,898, R. A. Nevitt, dated May 28th, 1920. Exhibit 131. notice in the cheque dated May 28th, 1920, that it is countersigned, although Æmilius Jarvis signed, it is countersigned?

A.—Yes, it is, that is quite right.

Q.—What would be the reason for countersigning that?

A.—That the cheque was drawn by Nevitt, apparently, who was a signing

officer, who countersigned it. It would be useless unless Æmilius Jarvis, Jr. signed it.

Q.—Well, it seems strange there should be the difference in the two way of doing it, when Æmilius Jarvis signed both.

A.—Well, Æmilius Jarvis probably did not draw the second cheque.

Q.—Can you tell by the handwriting if he did?

A.—It appears that he did draw it. It looks that way.

Q.—There is a similarity all right.

MR. CURRIE: That first cheque was signed by Mr. Jarvis?

MR. PRICE: The first was drawn by Jarvis alone, without being countersigned; the second was countersigned.

Q.—On January 29th, we have a \$5,000 cheque?

A.—Yes, sir.

Q.—Upon what was that commission?

A.—That would be commission on \$3,000,000, 10 year, $5\frac{1}{2}$ per cent.

Q.—Three million, ten year, $5\frac{1}{2}$. That is January 1st?

A.—On or about January 1st, yes.

Q.—At 90.41?

A.—90.41 New York funds, sir, 9 per cent. premium.

Q.—That would not be a full one-quarter of one per cent.?

A.—No, that plus the \$1,898 is approximately one-quarter, I presume.

Q.—Well, \$1,898 plus the \$5,000, \$7,500 would be one-quarter of one per cent.?

A.—I don't know why that is.

Q.—We can take it that these two cheques, one January 20th and the other May 28th, comprised the commission?

A.—Yes, sir.

Q.—That your brother was entitled to on the loan of January 1st?

A.—Yes, sir. At least, I presume that is the case, because it balances with our commissions here.

Q.—So that we have now a cheque for \$7,500, being one-quarter of one per cent. in the first loan, December 1st, and then \$6,898 being one-quarter of one per cent. on the second \$3,000,000 January 1st, and then this cheque produced by Mr. Young yesterday for \$12,500?

A.—That is on the \$5,000,000.

Q.—For \$12,500; that is on the \$5,000,000, 1st of March, 1920, cheque dated March 3rd; well, then, this cheque of January 29th, Mr. Pepall?

A.—Yes, sir.

Q.—Did you hand this money to your brother?

A.—I presume so, sir.

Q.—You think you handed all the money to your brother?

A.—Yes, sir.

Q.—On all those transactions?

A.—Yes, sir.

Q.—And this is to Mr. Jarvis, was he present?

A.—I presume he would be.

Q.—The cheque was drawn in his name?

A.—Yes, sir.

Q.—And on his instructions the money would be brought in?

A.—Yes, sir.

Q.—Then it would be fair to say the cheque to Mr. Jarvis, January 29th, 1920, that the money was gotten and handed to him?

A.—Yes, sir.

Q.—Do you know the nature of the bills that went out on that occasion?

A.—I don't, sir; it is usually endorsed on the cheque.

Q.—I cannot quite follow that \$1,898 cheque?

A.—Neither can I.

Q.—The intention was to give one-quarter of one per cent?

A.—I presume.

Q.—Well, would there be any cross entry there?

A.—No, sir.

Q.—A charge up that you made to Pepall. Mr. Pepall produces the Pepall account?

A.—That is not the Pepall account; that is the joint account, partnership.

Q.—Then this went into the joint account of Æmilius Jarvis, Sr., and Emilius Jarvis, Jr.

MR. CURRIE: Charged to their personal account?

A.—To their partnership account.

MR. PRICE: Why would it be charged to their partnership account?

MR. CURRIE: Would that go to profit and loss?

A.—That would come off profit and loss.

MR. PRICE: This would be a charge up practically to the earnings of the partnership?

A.—Of the partnership.

Exhibit 132; being this partnership account, shows 1920, January 20th, transferred from Æ. Jarvis, Jr., \$7,500, 29th, to cheque, Æ. Jarvis, Sr., \$5,000; interest, February interest, \$74.78. What would that mean?

A.—\$74.78; that would be debited against partnership account for the debit showing in that account to keep the books right.

Q.—March 16, to cheque re, what is that?

A.—Re cash.

Q.—\$12,500. May 28th, charged Æmilius Jarvis, Jr., to cash \$1,898, interest \$347.23, transfer to commission \$27,320.41, being the total amount of these. Why didn't you make these cheques to your brother? It was a business transaction?

A.—It was a business transaction, yes, sir, but we were not desirous of having any individual in our organization know definitely that A. H. Pepall was getting a commission.

Q.—Well, no one need to know particularly about that?

A.—Well, there would have to be some reason why a cheque was issued. It would have to be debited to commission, A. H. Pepall.

Q.—You could have charged it to one of the members of the firm in a commission account or something like that?

A.—Well, that is exactly what we did.

Q.—You debited their account —

A.—If we made payment to Mr. Pepall—I don't quite see how we could debit it to partners' account.

Q.—But you were saying you did it for certain reasons?

A.—The reason was obviously we did not want individuals in our organization to know. There may have been other ways.

Q.—Your object was to conceal the payment?

A.—Quite right, sir.

Q.—And what was the object in paying the cash to your brother?

A.—I don't know that, sir. I presume that Mr. Jarvis could have given him a personal cheque, which would have meant that there was a possibility of someone knowing Mr. Jarvis gave him a cheque.

Q.—That is no crime?

A.—No crime! There is no crime in any of it from our standpoint, in our opinion.

Q.—You were making payments to your brother of commission, you had never made any payments like this for getting provincial business?

A.—No, sir.

Q.—Or any other business?

A.—Yes, sir; I know the firm will pay commission to any person who can introduce business to us.

Q.—Did you?

A.—Yes, sir, on numerous occasions.

Q.—What did you pay?

A.—Well, you get us down to facts,—if you come to us with an industrial proposal for a plant, you introduce it to us, we would be very glad to give you—

Q.—I am referring to provincial business?

A.—No, sir, not to my knowledge.

Q.—In this account which you produce of the Jarvis Co., Exhibit 132—

A.—The \$27,000 does not tally with the cheques.

Q.—No?

A.—Quite right, because there would be commissions to agents anywhere in Ontario on any small commissions that would be paid.

Q.—This amount then, the \$7,500, \$12,500, \$5,000, \$7,500—all of those items were paid to your brother?

A.—Yes, sir.

Q.—And the total amount with the interest on it runs \$27,320?

A.—No, not all of that amount was paid to him.

Q.—Excepting interest?

A.—Excepting interest and some other minor commission which would go to agents. That is debit against partnership, profit and loss account.

Q.—What was that charged to?

A.—Mr. Jarvis and Mr. Jarvis, Jr.'s, account.

Q.—I cannot see why all those were not paid. There are no other items but two interest items?

A.—They were, sir, paid, but they have no connection with this.

Q.—But this specific thing, you produce 137, these items \$7,500, \$12,500 \$1,898—were all paid to your brother, A. H. Pepall?

A.—Yes, sir.

Q.—And charged against Jarvis & Co.'s account?

A.—Yes.

MR. CURRIE: Do you carry a commission account when you pay agents?

A.—No, sir, it is billed against the bond, against each individual bond.

Q.—You did not charge it against Jarvis & Co.?

A.—Oh, yes. Well, it is charged against Jarvis & Co., indirectly, in that an issue of City of Toronto, Province of Ontario, any bonds, were sold and commission allowed, that commission is debited to that specific account.

Q.—But don't you run an account where you pay out these commissions to the agents in the country? Don't you keep a separate account?

A.—We have—we want to know what profit we made on the specific issue.

Q.—But isn't it charged up to general commission account?

A.—Not to my knowledge.

Q.—Well, how do you charge it up against the partnership?

A.—Because it was a partnership at that time.

Q.—Well, how do you charge it directly against the partnership? You say you charged up the bond. It must come out of the partnership as profit and loss item. Where is the general commission account?

A.—These were not general commission accounts, they were cheques issued to Jarvis and Jarvis, Jr., for cash. The question is, where are they going to be debited?

Q.—Why didn't you charge it against that issue?

A.—We did.

Q.—Well, you have made two charges

A.—No, no. No, sir, against the profit and loss, carried forward, would be debited these commissions.

Q.—Well, was that charged against the issue?

A.—Yes, sir.

Q.—As well as charged to Jarvis! Why did you charge it to Jarvis? All the other commissions you only charged against the item?

A.—This was a partnership at that time. Mr. Jarvis was a member, he could do whatever he wanted to do, and I believe the idea was, there is a charge against Jarvis & Co., how will we locate it? It is charged against the partners' account.

Q.—You did not charge it first against the issue and say, well, there is a balance left and credit the balance?

A.—No, sir.

MR. PRICE: Mr. Young stated the other day that there were no charges made of these items for some considerable time?

A.—Well, here are the books.

Q.—Would these charges be finally located in the Jarvis account later?

A.—Yes, sir.

Q.—At the beginning there were no charges.

A.—Well, the cheque would have to be charged and was charged, as you see there. The cheque is issued to Mr. Jarvis, it would be debited or credited to Jarvis account.

Q.—But you don't follow me. Mr. Young says, as assistant bookkeeper, that there was no charge made of this for some considerable time?

A.—That is ridiculous.

Q.—Probably several months; eventually the charges were made in the Jarvis account?

A.—I don't know much about books, but I do know if a cheque is outstanding it has either got to be outstanding or cash.

Q.—Well, it may be in some other account?

MR. CURRIE: Who made these entries in the books?

A.—Mr. Young, I presume.

Q.—Mr. Young was accountant at that time?

A.—He was junior accountant, yes.

Q.—Who was senior?

A.—Mr. Brown, I believe.

MR. PRICE: Who was Hugh Allen?

A.—He was the security clerk, with the right to countersign cheques.

MR. CURRIE: Who was Dave Sykes?

A.—At that time I think he was office manager.

Q.—Would he know about these transactions?

A.—I should think he would.

MR. PRICE: This \$12,500 cheque, drawn to A. V. Young, was that money brought back to you?

A.—Brought back to the firm, sir.

Q.—Did you give Young instructions to draw this?

A.—I don't think I would have authority to do that.

Q.—Well, the others were drawn to Mr. Jarvis, Jr., and Æmilius Jarvis this cheque was drawn to A. V. Young, and he says on your instructions?

A.—It may have been on my instructions.

Q.—But in any event when the money came back—he says twelve \$1,000 bills and one \$500?—was it handed to you?

A.—It would be handed to myself or Mr. Jarvis.

Q.—And would it all be paid to your brother, A. H. Pepall, in the presence of Mr. Jarvis and yourself?

A.—I think so, yes.

Q.—Do you know anything about the purchase of inscribed stock in the old country?

A.—I know something about it, sir.

Q.—Is there any record of it in the books of the company?

A.—Mr. Jarvis personally handled that entire transaction.

Q.—It was not handled through the firm?

A.—No, sir.

Q.—Were there any moneys—this was a big deal, about \$6,000,000?

A.—\$8,000,000 par value.

Q.—I don't think you bought the whole thing? \$6,000,000?

A.—We actually recovered \$8,800,000 par value.

Q.—But the payment out was not that large; the loan was \$6,000,000 and the payment out was, I think, \$6,573,000. That was a big deal for you and a big deal for any firm, and why would not it go through the books of your company?

A.—I don't know, sir. Mr. Jarvis personally approached the cabinet and handled the whole transaction.

Q.—Well, now, he approached the cabinet. Did you have a talk with Mr. Smith about it?

A.—No, sir.

Q.—Did he go up to the cabinet with your brother?

A.—I don't know.

Q.—Did you talk this over with your brother, Andy Pepall?

A.—Yes, sir.

Q.—Talked over the purchase of inscribed stock?

A.—We talked over the advisability of it.

Q.—After talking it over with your brother, did you bring it to the attention of Mr. Jarvis?

A.—I think my brother brought it directly to the attention of Mr. Jarvis.

Q.—Can you recollect what date that was?

A.—I haven't any idea, sir.

Q.—Then, purchases were made—I think they left for the old country in February, so these purchases were made in February, March and April, and May, along there?

A.—Yes, sir.

Q.—Do you recollect what time you discussed it with your brother?

A.—Well, I would have very little discussion. I think most of the discussion was with Mr. Jarvis. I presume any discussion there was in the matter would be in 1919.

Q.—Quite early after Mr. Smith came in?

A.—I presume so.

Q.—Where did you carry on your discussion with your brother?

A.—My discussion with my brother?

Q.—Well, the discussion where you talked over the advisability?

A.—In the office.

Q.—Of buying inscribed stock. And was that prior to or after you made the one-quarter of one per cent. deal?

A.—I don't know, sir, I think it was prior.

Q.—This inscribed stock then was the first connection that you tried to make with the Minister?

A.—Well, I had nothing to do with that, you might say that, yes.

Q.—This was the first thing you talked over. What did your brother say to you in approaching this matter?

A.—He never approached me.

Q.—What was said?

A.—He said the Government were desirous of retiring, or had considered retiring, inscribed stock outstanding in London if it could be done to advantage. It seems that the British Government had requested such action in the war and it was studied, in fact I know, by Mr. Jarvis, and he then made the proposal to the Government.

Q.—Of course, you knew it was done in the war in order to aid British finances?

A.—Yes, sir.

Q.—That would not apply so much at the time you talked it over with your brother?

A.—Mr. Jarvis had the opinion of some of the leading bankers in the country that it was the best thing to do for sterling.

Q.—He didn't have any opinion when you talked it over with your brother first?

A.—He didn't have any opinion.

Q.—Mr. Jarvis didn't know about it when you talked it over?

A.—No, Mr. Pepall came to us and we all discussed it.

Q.—Mr. Pepall came to you and told you the Government had considered advisability of buying it?

A.—Yes, sir.

Q.—Then you discussed the thing as to whether it would be advisable for our firm to go into it as a business proposition?

A.—That would be right.

Q.—Was there any talk then of your brother being paid so much on this deal?

A.—No, sir, not to my knowledge.

Q.—You see on the other things, which were very much similar, he was getting a quarter of one per cent?

A.—Yes, sir.

Q.—This was a tremendous deal?

A.—Entirely in the hands of Mr. Æmilius Jarvis, sir.

Q.—Well, wouldn't you have thought that, paying a commission on small stuff, you would be paying it on a big thing?

A.—I don't know.

Q.—Did your brother say he should be receiving commission?

A.—He never said anything to me.

Q.—Why was he so interested in this inscribed stock deal?

A.—I don't know, sir.

Q.—It is rather remarkable, isn't it, that on a big deal of that kind where you discussed commission on one thing you would not discuss it on the other?

A.—Well, I don't know anything about that.

Q.—After you discussed it as a business proposition, when you came to the conclusion it was going to be a good business proposition, what was your action then?

A.—My personal action is that I did not know nor have any handling or anything to do with the English conversion transaction. It was handled entirely by Mr. Jarvis.

Q.—I understand that, but after deciding on the advisability of it with your brother, what action did you take, did you talk to Mr. Jarvis?

A.—Did I talk to Mr. Jarvis?

Q.—Yes, about it?

A.—He would not discuss it.

Q.—Just answer: Did you go to Mr. Jarvis and suggest to him that would be a good business deal for you?

A.—For me personally?

Q.—No, for the firm? You were in that firm?

A.—Well, I should think any transaction which had to do with the corralled of securities would be good business.

Q.—Not what you think, did you go and talk to Mr. Jarvis?

A.—Yes.

Q.—Well, you could have said that five questions ago?

A.—I did not quite get what you wanted.

Q.—But you don't help yourself. Now, having talked it over with Mr. Jarvis, Sr., did you take your brother to him?

A.—No, sir.

Q.—You went first to talk it over?

A.—Who?

Q.—With Mr. Jarvis, Sr.?

A.—A. H. Pepall came into the office and discussed it with Mr. Jarvis and then I was asked in to discuss it.

Q.—Now, do you mean to reverse what you said—that Pepall came in your office and talked it over with Mr. Jarvis before you talked?

A.—You kept referring to "you," which I implied to be Jarvis & Co.

Q.—Oh, I see, some indirect person, Jarvis & Co. You talked it over. You are Harry Pepall?

A.—Yes, sir.

Q.—Harry Pepall talked it over with Andy Pepall as to the advisability of your firm buying in these bonds on behalf of the Province?

A.—No, sir.

Q.—What did you do?

A.—A. H. Pepall came to the office and discussed it with Mr. Jarvis, and I was invited in then to give my opinion as to the advisability of it from the Province's standpoint. At that time, Jarvis & Co.—the first idea was, was it good business for the Province. Naturally it was good business for us.

Q.—You were acting for Jarvis & Co.?

A.—Yes, sir.

Q.—Your brother, who was he acting for when he talked it over with you first?

A.—I don't know. He didn't talk it over with me first.

Q.—I think you made yourself clear?

A.—I am trying to make myself clear that he came in and talked it over with Mr. Jarvis, and I was invited in.

Q.—You discussed it with your brother, he was A. H. Pepall and you were Harry Pepall, and you discussed the advisability of buying in these bills before you brought it to the attention of your firm?

A.—No, I understood it was Æmilius Jarvis & Co. when you referred to you.

Q.—You want to change that?

A.—I am quite ready to change that.

Q.—What you want to tell us now is that A. H. Pepall came to see Æmilius Jarvis—came to see Æmilius Jarvis before he saw you.

A.—Yes, sir.

Q.—That Andy Pepall, your brother, came down to Mr. Jarvis without having discussed it with you at all before that?

A.—Yes, sir.

Q.—And that you had no discussion with him until after he had discussed it with Æmilius Jarvis?

A.—Yes, sir.

Q.—Well, that is understood, and after Andy Pepall had discussed it with Æmilius Jarvis, or was discussing it, you were called in?

A.—Yes, sir.

Q.—And then the three of you sat down there and discussed it. Æmilius Jarvis would be looking at it from a business standpoint?

A.—I presume so.

Q.—And you looked at it from a business standpoint?

A.—Yes, sir.

Q.—Now, how was Andy Pepall looking at it?

A.—I don't know.

Q.—At that time had Andy been sent by Mr. Smith to discuss it?

A.—I don't know anything about that, sir.

Q.—Did he tell you he had been sent by Mr. Smith?

A.—No, sir, he didn't.

Q.—How long was this discussion, did it last?

A.—Probably half-an-hour, sir.

Q.—Did you decide at that conference that it was a good thing to buy these bonds in?

A.—No, sir.

Q.—What did you come to the conclusion at that time?

A.—Mr. Jarvis came to the conclusion he would see the cabinet and discuss it with them, which I believe he did.

Q.—Well, did Andy Pepall take him up to see the cabinet.

A.—I don't know.

Q.—Did you go up with him?

A.—No, sir.

Q.—Who did go up with him?

A.—I don't know, sir.

Q.—With whom did he get in touch to see the cabinet?

A.—I believe Mr. Drury or Mr. Smith. I really don't know.

Q.—Having the arrangement made with the cabinet, through Mr. Drury or Mr. Smith, it was extraordinary that your brother, having brought this proposal down and talked it over, should not make some of the arrangements?

A.—He may possibly.

Q.—Do you recollect having telephoned to make the appointment?

A.—No, I do not.

Q.—Did you?

A.—No, sir.

Q.—Did your brother tell you how he made the appointment?

A.—No, sir.

Q.—In what month was this discussion in? It must have been in 1919?

A.—I should think so.

Q.—It must have been in December of 1919. Now are you clear that it was before the one-quarter of one per cent.?

A.—No, sir, I am not clear; the letter on file of the proposal to the cabinet I think would clear that.

Q.—Yes, the letter is on file a considerable time after that?

A.—I should think before the proposal was made there would have been a considerable amount of discussion as to the advisability.

Q.—The file commences with a letter on the 19th of February, 1920. It says, "referring to the above subject and to the conference with the Government, we now enclose a memorandum outlining the proposed plan. If it meets with your approval I am prepared to proceed to England at the earliest moment to carry it out."

This is the first letter we have on that. Well, then, there must have been quite a number of conferences long after that first time?

A.—I presume so, sir.

Q.—Well, now why was it—this is written on the paper of Æmilius Jarvis & Co.?

A.—Yes, sir.

Q.—It is signed Æmilius Jarvis?

A.—Yes, sir, the partnership.

Q.—But all the letters from the Provincial Treasurer at that time were to Æmilius Jarvis & Co. Now you tell this Committee why it is this deal having been brought about through your brother, that it didn't go through your firm?

A.—I don't know, sir. Mr. Jarvis handled that, as you can see, by correspondence entirely by himself. It was a matter entirely in his hands.

Q.—Well, where was the profit of this transaction handled?

A.—It would be handled in Mr. Jarvis' personal account.

Q.—Was it handled here in Toronto?

A.—I don't think so; handled in London, England.

Q.—Any disposition then of the funds of the Province were handled in your banking house in London, England?

A.—I believe so, sir.

Q.—Who were the banking house for your firm?

A.—Lloyds, Limited.

Q.—Who was the other?

A.—J. A. Scrimgour.

Q.—Did they handle this deal?

A.—They were associated in the transaction.

Q.—What other bankers?

A.—The Bank of Commerce, they handled exchange.

Q.—And this Lloyds, and these other firms that you have mentioned, handled the business part of it?

A.—Yes.

Q.—If you sent money over there to handle this deal, would that go through your accounts here?

A.—It would not go through Jarvis & Co.'s account.

Q.—Did it go through any account?

A.—Not to my knowledge, Mr. Jarvis would handle that himself.

Q.—Well, do you mean to say that this large deal, one of the largest deals that any bond firm ever put over in this Province, was not handled through your firm and there is no record?

A.—Quite right. This was a partnership of which Mr. Jarvis was the sole head.

Q.—And he had the power to do whatever he liked with that money and the profits he made on it?

A.—Exactly.

Q.—Has any of that money come back through your firm since?

A.—I don't know, sir.

Q.—Well, you are in the firm, you know the books?

Q.—I am in the firm now, sir.

Q.—At any time before you got in?

A.—Not to my knowledge.

Q.—Has any come back since?

A.—No, sir.

Q.—Has it been transferred to New York?

A.—No, sir.

Q.—Is it in London?

A.—I don't know. Mr. Jarvis handled that. He was the man that was in sole charge of that proposal and everything to do with it.

Q.—Was your brother, Andy Pepall, at the conference which Mr. Jarvis had with the cabinet?

A.—I don't know, sir.

Q.—Did he tell you he was?

A.—No, sir.

Q.—You are just swearing what you know and nothing else?

A.—That is all, sir.

Q.—Did you know afterwards that he was present?

A.—No, sir.

Q.—Did Mr. Æmilius Jarvis discuss it with you after?

A.—No, sir, he would discuss nothing with me.

Q.—I am not referring now to the conference?

A.—No, you are referring to the cabinet discussion.

Q.—Up here, when Mr. Jarvis came up here through appointment with Mr. Smith or Mr. Drury? Well, then, didn't you think as a sales manager in the firm where this business came through the activities of your brother that you were entitled to have some benefit of it, a firm proposition?

A.—Yes, sir.

Q.—You did?

A.—Yes, sir.

Q.—You think, I should think, the way any other man would think?

A.—Exactly.

Q.—That you were entitled to benefit somewhat on that transaction?

A.—Quite right.

Q.—Well, did you benefit?

A.—Yes, sir; I was made, ultimately, general manager of Æmilius Jarvis & Co., through effort.

Q.—Through effort?

A.—Through effort—work.

Q.—I am just talking of this big deal?

A.—You might say that influenced it.

Q.—No doubt, the fact that you were able through your brother to get this big deal going in the Old Country, the purchase of inscribed stock, and probably get provincial business, you were made general manager?

A.—Yes, I was.

Q.—In addition to your other qualities as manager?

A.—Yes, sir.

Q.—That helped you, no doubt. But in a financial way on the profits of this deal you did not get anything?

A.—No, sir, other than my ordinary salary and bonus.

Q.—Did you get a bonus?

A.—Yes, sir.

Q.—Did you get any bonus which was paid on this deal?

A.—No, sir, not specifically on this deal.

Q.—How were the bonuses handled?

A.—Bonuses were awarded by Mr. Jarvis personally, as a partnership.*

Q.—Now did Mr. Jarvis award you any bonus on this stock deal in the old country?

A.—Not specifically on any inscribed stock.

Q.—Specifically?

A.—He awarded me on the year's operation.

Q.—What was the award on that year's operation?

A.—\$2,000 bonus.

Q.—Well, that would not be very commensurate on a deal of that kind?

A.—Well, I knew nothing of the deal.

Q.—You don't figure you got anything on the deal?

A.—I didn't figure at all, I was ambitious.

Q.—I think there is an entry in your books on that transaction from what I am told here. Cheque produced, 133.

MR. CURRIE: Did I understand you to say he gave you \$3,000 bonus?

A.—\$2,000.

Q.—On the year?

A.—Yes, sir.

MR. PRICE: Of course he was getting bonuses every year, so that there are other bonuses you got?

A.—Yes. I just came back to the firm then, in 1919.

Q.—Then this Exhibit 133 is the cheque apparently made out to A. H. Pepall by the Province of Ontario for \$4,000?

A.—Yes, sir.

Q.—Mr. Sproule says there was an item of this kind went through your books?

A.—Yes, sir.

Q.—Why would that item be carried in your books?

A.—I believe Æmilius Jarvis & Co., this is from an examination of the records I have made since, apparently advanced A. H. Pepall \$4,000.

Q.—Let us get that; your brother was advanced by Æmilius Jarvis & Co. the sum of \$4,000 in order to pay his expenses on the trip over?

A.—Yes, sir.

Q.—And, of course, that is a rather extraordinary proceeding, Mr. Pepall, because your brother has sworn he represented the Province?

A.—That is right, I believe he hadn't been paid by the Province.

Q.—Well, the Province didn't advance him any money when he went over?

A.—No, I presume Mr. Jarvis advanced him the money.

Q.—Mr. Jarvis was carrying all expenses of this proposition, apparently?

A.—Apparently, yes, sir.

Q.—Well, why would the \$4,000 item go through your account?

A.—It was a specific cheque, I presume, issued to A. H. Pepall for travelling expenses.

Q.—By Æmilius Jarvis & Co.?

A.—Yes, sir.

Q.—Why should your firm start off issuing a \$4,000 cheque to your brother, A. H. Pepall, and then never do anything more in the firm?

A.—I don't know.

Q.—If you started by advancing him, you would think you would get some return?

A.—We did get some return; there is the cheque.

Q.—Oh, yes, by the payment back of the actual money. But the facts are you did finance, ultimately, Andy Pepall?

A.—Ultimately, I believe that he—

Q.—Well at the beginning he got the money to go over?

A.—Did he?

Q.—Well—

A.—I presume this was paid to him afterwards.

Q.—Have you an entry in your books showing that the \$4,000 cheque was issued?

A.—I think so.

Q.—Probably you could let us have that?

A.—Yes, I could do that.

Q.—This is after your brother came back, June 30th, 1920, cheque was issued by the Province. Exhibit 133. I don't think you have quite satisfactorily satisfied the Committee, Mr. Pepall, why this deal, which started through Jarvis & Co., wound up just Æmilius Jarvis?

A.—I cannot satisfy you of that, I presume. I don't know anything more about it than you do. Mr. Jarvis personally handled it.

Q.—But you are in the company?

A.—Yes, I was sales manager.

Q.—But you do a big business and you have been in the firm since. Did you hear about the profits made on this deal?

A.—No, sir, I have never heard.

Q.—You mean to tell the Committee you did not?

A.—I have heard comment made by Mr. Jarvis that the profits were nothing as intimated in the papers.

Q.—Well, they have been all the way from \$200,000 to a million, so he might be right?

A.—He did tell me that the profit was nothing like intimated and that while these circulars quoted specific prices for the blocks what prices we obtained in reality, he told me that a very small portion of the entire issue had been obtained that way. The majority had been obtained through large institutions turning over their stock at prices which they demanded.

Q.—Why should he tell you that if you had no interest?

A.—Oh, no; I definitely asked him.

Q.—Why didn't you ask him the other, what was his profit?

A.—I did.

Q.—Did you get any answer?

A.—No, sir, except to say the profit was not what it would appear it might be.

Q.—Did you ever say, "My brother, Andy Pepall, brought this deal down here. I am in the firm here. I have got no profit out of this. I want to know something about it"?

A.—No, sir, I never did that.

MR. DOHERTY: You were not in the firm?

A.—No, sir.

Q.—You were not entitled?

A.—No, sir.

Q.—Do you think if a cable was sent to Mr. Jarvis he would have any objection to wiring right back what the profit was?

A.—No, I don't.

Q.—Get it right in a day?

MR. PRICE: Mr. Jarvis has had ample opportunity to cable or wire, or anything else.

Q.—Did you have a talk with your brother, Andy Pepall, about this deal after he came back from the old country?

A.—Yes, sir, I did.

Q.—This inscribed stock deal?

A.—Yes, sir.

Q.—What profit did he say he made on it?

A.—He told me he made nothing.

Q.—He made nothing?

A.—Nothing, yes.

Q.—Nothing in addition to the \$4,000?

A.—Well, he never mentioned \$4,000.

Q.—He said he made nothing?

A.—Nothing.

Q.—Made the trip over there, looked after the thing and made nothing?

A.—That is what he says.

Q.—Well, did you draw his attention to the fact that he made a quarter of one per cent. on loans?

A.—No, sir.

Q.—Well, the work he did on this inscribed stock in London was very much more than on the loans. All he did, you say, was introduce the firm to Peter Smith?

A.—Quite right.

Q.—And he got a quarter of one per cent. on his influence on the Treasurer on the loans?

A.—I would not say that.

Q.—And when it comes to inscribed stock, a tremendous deal, he gets nothing?

A.—I don't know whether he got anything or not.

Q.—Did you say he said he got nothing?

A.—He said he got nothing.

Q.—Where is Andy now?

A.—In Los Angeles.

Q.—What is he worth?

A.—I haven't the faintest idea.

Q.—Why was it necessary to change from a partnership into a joint stock company?

A.—Well, under a partnership you know, Col. Price, you know the liability of a partner is unlimited. Mr. Jarvis was really operating this business for his son, Emilius Jarvis, Jr., who had come back and started in the business when he decided to form a joint stock company, a private joint stock company. I don't know exactly what his reason was, but I presume it was to avoid unlimited liability.

Q.—Liability was there while Jarvis & Son ran the business?

A.—Quite right, Mr. Jarvis is getting up in years.

Q.—He is about 60?

A.—He is 65, sir.

Q.—65 now, 60 then. He seems to be hale and hearty?

A.—He is, sir.

Q.—What was the particular reason for incorporating?

A.—Well, I can only say to avoid liability.

Q.—You were going into the company?

A.—Yes, sir, I went in.

Q.—And who else?

A.—Well, Emilius Jarvis, Jr.

Q.—The two Jarvises and yourself?

A.—Yes.

Q.—Would practically form the company?

A.—Yes, sir, we were the company.

Q.—Sykes was entirely nominal?

A.—He was nominal, one share.

Q.—What about Cochrane?

A.—Later he became sales manager and secretary.

Q.—So it is safe to say the company when it was incorporated had really as the owners of the stock, substantial owners, Mr. Emilius Jarvis, Sr.?

A.—Yes, sir.

Q.—Mr. Jarvis, Jr., and yourself?

A.—Yes, sir.

Q.—And is that the way it is being conducted at the present time?

A.—Yes, sir, with the exception of Mr. H. E. Cochrane, now secretary-treasurer, owning some stock in the company.

Q.—Then, before that, were you doing a general bond business throughout the country?

A.—Yes, sir.

Q.—Same business you are doing to-day?

A.—Slightly smaller, Æmilius Jarvis & Co. closed up in the war.

Q.—Then you began to do a general business throughout the Province?

A.—We began a general business in 1919, early part of 1919.

Q.—About the time you got this association with Mr. Pepall?

A.—No, sir. I got a wire or letter from Mr. Jarvis offering me a position in the firm, although he said there was very little business, you are at liberty to come back. I had been in Jarvis & Co. before the war.

Q.—I realize that and that is all to your credit. When you went into the firm was it based on the amount of stock you would pay for in the firm or as a reward for your business?

A.—As a reward; I had nothing to pay. I had actually to pay for it at that time; all I could beg, borrow or steal was \$5,000. The balance I owed to Mr. Jarvis and still owe a large portion of it to him.

Q.—I was just wondering whether he issued you paid-up stock for the amount of your interest.

A.—He issued me paid-up stock certainly, sir, for stock in the company, which I immediately endorsed back to him, the entire stock, both common and preferred, and a note for the difference.

Q.—How much stock would that be?

A.—At that time 200 shares preference stock—rather 100 shares of preference stock and 200 shares of common stock. Those are rough figures.

Q.—What is the par value of the shares?

A.—\$100.

Q.—That would be \$30,000?

A.—\$30,000, \$10,000 of which was really money, the other was goodwill stuff.

Q.—I cannot quite follow you when you say you gave him a note?

A.—Yes, sir, all the money in the world I had to apply to stock in the Jarvis organization was some \$5,000.

Q.—Don't you consider that stock your own?

A.—I consider the five my own. I have it now. The balance is hypothecated to Mr. Jarvis as security for the note which he holds.

Q.—Is that note made out?

A.—No, sir, it isn't paid yet.

Q.—Was it made out?

A.—At that time? Yes, sir.

Q.—Simultaneous with the issue of the stock?

A.—Absolutely. In fact it was never in my possession. I immediately handed it back to Mr. Jarvis.

Q.—You have the voting power?

A.—Yes, as long as I carry on as I should. Mr. Jarvis is in complete control of the company.

Q.—Did that same thing apply to Mr. Jarvis, Jr.?

A.—Yes, sir. I presume that would be paid up. His father would simply award him it. His father is wealthy.

Q.—Why couldn't he award it to you?

A.—Well, he could have, but he didn't. I wish he had.

MR. McKEOWN: You have told us that your brother, Andy Pepall, came down and went in to see Mr. Jarvis about this loan and you were then called into conference?

A.—Yes, sir.

Q.—The three of you together?

A.—Yes, sir.

Q.—You and Æmilius Jarvis were acting for the firm of Æmilius Jarvis?

A.—Yes, sir.

Q.—Who was Andy Pepall acting for in that conference?

A.—I don't know that he would be definitely acting for the Government, but I presume he had come there in the interests of the Government.

Q.—From the conversation that took place it appeared that he came to you sent by the treasurer, did he?

A.—It might, yes, I should think so.

Q.—That he came to you sent by the Provincial Treasurer and gave you the information about this loan?

A.—Asked us our opinion about it.

Q.—Well it was from him you got what information you had about this loan?

A.—No, it was in the London Stock Exchange Intelligence.

Q.—Was it from the London Stock Exchange or was it from the treasurer that your brother Andy got the information that he conveyed to you at this conference?

A.—He had the idea. We got the information, sir, that is our business. I mean any person could have had the facilities that we had.

Q.—What I want to get at—you tell me your brother Andy got nothing whatever out of this?

A.—Not to my knowledge.

Q.—Who did he represent?

A.—I presume he represented the Government.

Q.—Did he say so?

A.—Well, the letter said so, the letter that he went to England with.

Q.—But this was long after that. At the conference with you did he say he represented the Government?

A.—No, sir.

MR. PRICE: What are these you produce?

A.—This is the \$3,000,000, dated December 1st, 1920, 5½, transactions covering the entire sale of the issue—our ledger sheets.

Exhibit 134.

A.—There are three issues there; as a matter of fact the whole three. You asked in the subpoena for Treasury Bill accounts; that is the Treasury Bill accounts in which the Home Bank were associated with us in buying. You see allowances there?

Q.—Were the Home Bank associated with you in both?

A.—Yes, sir.

Q.—This is made out recently?

A.—No, sir. These notes were bought 99½ in 1920, as I recall at that time when money was difficult to get. Mr. Fleming is here and he can confirm the profit that was made. There would not be one-quarter net.

Q.—That is Exhibit 135 and 136, Ontario Treasury notes, 15th December, 1920, and also 6 per cent. April 15th, 1920, is that 1921?

A.—1921.

MR. DOHERTY: Your firm, Jarvis & Co., purchased you said?

A.—\$8,811,000.

Q.—For which there was paid how much?

A.—Which cost the Government of the Province of Ontario according to the figures that have been submitted to the Government \$6,753,000, par value of 6 per cent. bond. \$6,753,000 was used in the retirement.

Q.—So on the transaction the Province made nearly \$2,000,000.

A.—Well, that would be a broad statement. They reduced their outstanding debt by some \$2,060,000 odd thousand. You must take into consideration the saving that would have been made if this had not been done in sterling and the loss made in buying N.Y. funds. The whole thing works out that the Province is guaranteed \$4.50 to the pound sterling in London for the next twenty years.

Q.—When you discussed this matter of the advisability of retiring this inscribed stock, what were the arguments in your mind. I rather gathered from what you said your opinion was it was good business for the Province.

A.—Yes, sir.

Q.—What were the arguments that weighed with you?

A.—The argument that had weight with me was simply, it was simply a transaction to get over. Anything that was a transaction appealed to me from my standpoint.

Q.—From the Province's standpoint?

A.—The fact that the pound sterling was low, and the pound sterling being low, as I understand it from Mr. Jarvis' discussion with various bankers, that it would help the pound sterling. Now the position—we were buying in London and selling in New York—would help the New York situation, and that was endorsed by Sir George Paisch, and one of the most prominent bankers in this country to-day.

Q.—Do you know whether Mr. Jarvis had considered this matter under the previous Treasurer?

A.—No, sir; but I don't believe he did. I don't think he had any knowledge.

Q.—Had he considered it as a financial proposition before it was brought to your attention?

A.—He carried it out in the case, I believe, of one of his companies, where he purchased bonds of his own organization in the London market—

Q.—That had nothing to do with succession duty free?

A.—No, sir, neither had this.

MR. PRICE: This was a business proposition?

A.—Absolutely.

MR. DOHERTY: You were thinking of the matter of exchange?

A.—Quite right.

Q.—In your discussion at that time did the matter of the likelihood of the City of Toronto buying some in come up?

A.—We did it with both Alberta and Manitoba, J. P. Morgan and ourselves.

Q.—To what extent?

A.—To a very much same—oh, you mean how much did we get? We did not get as much in, nothing like as much, I should say a total of a million and a half.

Q.—You have sworn you have no exact knowledge as to the amount of profit that Jarvis & Co. made?

A.—Yes, sir.

MR. CURRIE: Who would have that?

A.—Æmilius Jarvis.

Q.—Would it be in the books?

A.—In Jarvis' books?

Q.—Would it be over or around a quarter of a million?

A.—I don't know. From what I gathered from Mr. Jarvis it was nothing like it was rumoured it was.

Q.—All you can do is swear Mr. Jarvis told you that the profits he made were nothing like what had been rumoured?

A.—Quite right.

Q.—That is to say the net profit?

A.—The net profit.

Q.—Not the gross profit?

A.—Net or gross, or whatever you want to call it.

Q.—Your brother Andy went over with Mr. Jarvis?

A.—Yes, sir.

Q.—The offer of Mr. Jarvis had been accepted by the Province before they left?

A.—Yes, sir.

Q.—Jarvis to purchase these bonds and sell them to the Province?

A.—Yes, sir.

Q.—At rates fixed?

A.—Yes, sir.

Q.—What was the idea of sending Pepall, your brother?

A.—I haven't the faintest idea, other than that a three million pound sterling credit had to be established in London, some representation would have to be made. Although Mr. Jarvis has a great many friends in England, three million pounds credit is a considerable item, particularly when you are buying securities considerably over the established markets.

Q.—Have you seen the acceptance by the Province of Jarvis & Co.'s offer, in which it is stated transactions over there to be put through must be o.k.'d or put through by the Province's representative?

A.—I have seen that letter.

Q.—So Mr. Pepall went over as the Province's representative, but with the understanding that Jarvis was to pay his expenses?

A.—I don't know anything about it.

Q.—Jarvis & Co. did pay expenses, didn't they?

A.—I don't think they did.

Q.—Advanced his expenses?

A.—Advanced his expenses.

Q.—And the Province paid the expenses. So he was the Province's representative, to o.k. transactions over there?

A.—Yes, sir.

MR. PRICE: Couldn't the Province have used the Bank of Montreal over there?

A.—They could have, yes, sir.

Q.—We do it right along?

A.—Yes, sir.

Q.—There would be no reason why your brother should go over to establish credit for the Province?

A.—No, sir.

Q.—As you didn't get anything out of this, do you suppose Mr. Jarvis would tell you he made more or less?

A.—I haven't the faintest idea.

Q.—Would he be telling you he made a whole lot out of it?

A.—I should not think he would.

Q.—Mr. McGarry said, when he gave his statements the first day here, that the buying of this stock had been suggested by the British authorities as a good thing for them?

A.—It is on your records.

Q.—But latterly when the Americans came into the war he was advised that it was not necessary. Did you know that?

A.—No, sir.

Q.—And that he discontinued any activities along that line, did you know that?

A.—I did not know that; the reason that the provinces discontinued it, Manitoba and New Brunswick did this, sir, of their own free will and they lost real money on it because they did it when the pound sterling was back at \$4.86.66 to the pound. Morgan acted for the British Government and they were doing that business in this country. Our whole transaction was the same as any trust company, recalling what you have in England at a favourable rate of exchange and at one time the point was at \$4.19, if that could have been got at that time—it was a slow moving process.

Q.—What year did Manitoba buy?

A.—1920.

Q.—The other provinces? Saskatchewan and Alberta?

A.—Manitoba, I think, 1921, and, I think, Alberta 1920.

Q.—These were ordinary bonds?

A.—Just the same as yours.

Q.—Have you heard from your brother?

A.—I haven't heard from him, no, sir.

Q.—Is he in Toronto?

A.—No, sir, I believe he is in Los Angeles.

Q.—There was some information that he was in Toronto at the present time?

A.—He may be, but I should certainly think he would come and call on me.

Q.—You don't think he has come back to give evidence? How long has he been there?

A.—He has been there, offhand I should say, five or six years. He is living there now.

Q.—What year?

A.—1921, I think, he definitely moved there.

Q.—1921 we had him before the Committee?

A.—Yes, I think he definitely moved there in 1921.

Q.—What is he engaged in?

A.—I believe he is in the glass business, bottle factory.

Q.—That is the same business as Mr. Smith is in?

A.—I don't know anything about it.

Q.—Have they any connection in that business?

A.—I don't know, sir.

Q.—Has your brother any stock in Mr. Smith's company?

A.—I should not think so, sir, I don't know.

Q.—Well, you see they were very friendly before that, they were interested in the Delco light business and your brother stopped at his house overnight then?

A.—Yes, sir, I don't think that is unusual.

Q.—No, but they are both in the glass business, it might mean there is something there, some connection there?

A.—Well, I don't know of any.

Q.—Did you pay commission to any other person for securing business in the manner in which you paid commission to your brother by large legals instead of by cheque?

A.—No, sir.

Q.—What kind of glass business is your brother in?

A.—Bottle business.

Q.—Who for?

A.—Oh, for the trade, I presume.

Q.—Were you manager of Jarvis & Co. when your brother went to England?

A.—No, sir.

Q.—How long after were you appointed?

A.—About one year.

Q.—Can you explain why Jarvis & Co. should advance his expenses?

A.—I think you will find that he did not advance his expenses, that the cheque was paid when he got back.

Q.—I thought the record showed that Jarvis & Co. advanced his expenses to Andy Pepall?

A.—I don't know that he advanced it prior to his going.

MR. CURRIE: What was your brother doing before the election?

A.—He was in the plate glass business.

Q.—With whom?

A.—Toronto Plate Glass.

Q.—He is a Toronto man, both of you?

A.—Yes, sir.

Q.—How did he become acquainted with Peter Smith?

A.—I believe, well, it is in the papers, it was in the Delco Light business, sales manager.

Q.—Your brother?

A.—Yes, sir.

Q.—He was with the Delco Light?

A.—Yes, sir.

Q.—Who else was agent along with him?

A.—E. W. Bickle.

Q.—Was Mr. Biggs a special agent?

A.—I don't know whether he was or not.

Q.—When you referred to agent, I think you meant partner?

A.—Mr. Bickle was partner.

Q.—Salesman?

A.—I don't know anything about that.

Q.—He was partner in the Delco Light. Did you ever hear him tell the story about how he met Peter Smith?

A.—No, sir, I have seen it in the papers.

Q.—Did you ever hear him tell of being very active in informing the late Government that he had been at the meetings of the farmers and helped to put Peter Smith and Mr. Biggs over as Ministers?

A.—No, sir.

Q.—You didn't hear that?

A.—Not interested in that.

Q.—How did he come to have such an awful pull?

A.—I don't know, sir.

Q.—Oh, you know how he had that pull?

A.—I presume if you knew a man well it would not be difficult to meet him.

Q.—You know very well that one-quarter of one per cent. was a pretty nifty commission, wasn't it?

A.—Yes, sir.

Q.—About a sixth or an eighth would have been a very good one?

A.—No, sir, a quarter of one per cent.—for instance, the issue just prior to this last one, City of Toronto bonds we purchased, we paid 34 cents more than the next group—

Q.—No commission?

A.—The last issue was purchased at 30 cents more than we bid. The thing is, can you buy the bonds—if you can buy the bonds you know what you can sell them at.

Q.—You know the sale price you can sell them at? If you can buy them you can afford to pay commission? If you can get them from the Government as favourable as that was issued, you can well afford to pay a quarter?

A.—Quite right, and I would point out we paid over \$90,000 more one month later for the same bonds.

Q.—That was shortly after?

A.—It was the American issue; it didn't affect Canada.

Q.—You mean this issue you bought and sold in the States?

A.—Both issues.

Q.—And you did not find out from your brother how he became such a fast friend of Mr. Smith?

A.—Only through selling Delco Lights, he might get to know him well.

Q.—Did you talk it over with him and suggest we have Mr. Smith as Treasurer, you go up and get a line on him and talk it over, and if we can get some business, you know?

A.—Not to my knowledge, he never talked anything over, any talking was done direct with Mr. Smith.

Q.—He didn't know anything about the bond business?

A.—No, sir, he certainly didn't.

Q.—Did you think it strange Mr. Smith sent him over there?

A.—I presume it might be strange; he certainly did not go there for his knowledge of the bond business.

Q.—So it would be impossible for him as representing the Government to go to England and take up prices that Mr. Jarvis was charging the Government?

A.—Very simple; we checked prices long before he went there by J. C.

Scrimger, to ask them to recover—these are people who we spoke to, we knew it would not go over the street, and asked them what price would recover Ontario issues outstanding.

Q.—You haven't produced those telegrams?

A.—I can.

Q.—If Mr. Adams, of the Bank of Montreal, states to this Committee that a fair amount on an issue of bonds amounting to millions is one-sixteenth, you don't think he is right?

A.—I know he is wrong when he talks about one-sixteenth on a 6-months treasury bill as a lot of money; one-sixteenth on 10-year bonds is nothing.

Q.—What is the difference?

A.—The difference is that a sixteenth is a lot of money on 6 months, but on a 10-year bond it doesn't amount to much.

Q.—Your brother came into the office and suggested this, and did he bring Mr. Smith into your office?

A.—No, sir.

Q.—Mr. Jarvis and you came up before to see Mr. Smith?

A.—Yes, sir; we ran up.

Q.—You came up and saw Mr. Smith, and what did Mr. Smith say to you?

A.—He asked our opinion of the market. He didn't ask us at that particular time what we could pay for the bonds, but he did ask us shortly after what we would pay for \$3,000,000 issue. We gave him the market of 97.76. He accepted and pointed out at the time it was considerably better than the issue which had just previously been sold by something over \$90,000.

Q.—We have discussed several items here with reference to the Jarvis cheques and other cheques; it is regrettable that those things have to come before the Committee, but tell the Committee definitely how the firms of Jarvis & Co. were organized. There was a partnership?

A.—At the time these cheques were issued.

Q.—What was that partnership called?

A.—Æmilius Jarvis & Co.

Q.—And who were in that partnership?

A.—Æmilius Jarvis and Æmilius Jarvis, Jr.

Q.—Nobody else?

A.—Nobody else.

Q.—Now, subsequently, after you and your brother had some dealings with the firm they were going to reorganize the firm and they advanced you in your position?

A.—I was practically in that position all the time.

Q.—What?

A.—In command of that office.

Q.—How many units did you have?

A.—At that time, one.

Q.—First you advertised a unit in Montreal, New York?

A.—That is to-day, yes, we have six.

Q.—You didn't have only Toronto?

A.—You will understand at that time, at one stage of the game Jarvis & Co., there was hardly an employe left except Mr. Jarvis and his secretary, and you know where they were, and later they came back and Mr. Jarvis offered all these people their positions and they merely came back into the fold and

started operations. His whole object in starting was merely to create positions for his son and these people who had been loyal to his organization.

Q.—Do you mean to say his whole organization was split?

A.—The organization split up in 1914.

Q.—That is at the time of the war?

A.—Yes, sir.

Q.—And did your firm have a lot to do with the distribution of Victories?

A.—Very little, he confined his efforts to the Navy League and the rest of the crowd were overseas, and further than that anything he would do would be in the manner of wholesale.

Q.—Jobbing?

A.—Jobbing, jobbing in a big way; buy \$2,000,000 and wholesale it off to the other dealers.

Q.—But in 1919 he thought he would have a big reorganization and bring the old staff back and start over again?

A.—Well, in 1918, as a matter of fact, he sent me a wire and I wrote him, as a matter of fact, and asked him how business was and was the firm as large as it had been, and he sent me a very nice letter, a wire, Come back, you can have a position, although there is nothing doing here.

Q.—Where were you then?

A.—I was then in Quebec.

Q.—What were you doing?

A.—In charge of the Ontario unit at the riots.

Q.—Of the what?

A.—Ontario-Quebec detachment.

Q.—Were you over at the war?

A.—I certainly was; I was in your battalion. I walked in and I was carried out.

Q.—Was your brother?

A.—My brother overseas?

Q.—Yes?

A.—No, sir; he had a wife and three children.

Q.—Eddie Bickle was in the battalion?

A.—Yes, sir, Eddie and I were side-kicks.

Q.—Well, now, tell me, you don't know anything further about the money that was paid out on these cheques in addition to what you have told the Committee?

A.—No, sir.

Q.—You don't know whether all of that money was handed by Jarvis to anybody?

A.—It was not handed by Jarvis. It was handed by me—this is the cheque you are referring to?

Q.—Yes?

A.—By myself and Jarvis to Pepall.

Q.—To your brother?

A.—Yes.

Q.—And you don't know whether your brother split up these cheques?

A.—I don't.

Q.—Why didn't he give him a marked cheque?

A.—For the simple reason we were not anxious that any members of our organization should know we were giving commission to Pepall.

Q.—There has been a lot of remarks about your brother going over to England in the capacity of agent for the Province. What did he do?

A.—Very little after the loan was established, I presume.

Q.—You say the loan was established, that is there was credit?

A.—Credit, yes.

Q.—Who established the credit over there?

A.—I believe Mr. Æmilius Jarvis negotiated it.

Q.—With whom?

A.—With Lloyds bank.

Q.—And Scrimgers?

A.—Yes.

Q.—This would be a credit on behalf of this Government and Jarvis & Co.?

A.—Well, I think it was on behalf of Jarvis & Co.

Q.—Quite a big loan, you say \$15,000,000?

A.—3,000,000 pounds sterling.

Q.—Do you know anything about the firm now? What does it consist of now?

A.—It is a private joint stock company of which Æmilius Jarvis is president, and H. E. Cochrane, Jr., vice-president; I am general manager, secretary-treasurer and sales manager.

Q.—And branches?

A.—London, Ontario, Ottawa, Montreal, New York, and London, England.

Q.—Did this business referred to go through the London, England, branch?

A.—It was not opened then.

Q.—When did you open that?

A.—We opened that about two years ago.

Q.—Not until after this transaction?

A.—No.

Q.—Did any of the money of that transaction go into the company, I mean in any shape or form did the company participate?

A.—Not to my knowledge.

Q.—And did they take the books of the London office off to London?

A.—Well, they were merely opened and carried on as the company opened.

Q.—Who was acting for them?

A.—W. H. R. Jarvis, Reg. Jarvis.

Q.—And that firm is still in existence?

A.—Yes, that is a branch over there.

Q.—But that branch was not in existence when the loans were put through?

A.—No, sir.

Q.—Now who would know, would anybody in Canada know about these transactions?

A.—I don't think so, only Mr. Jarvis.

Q.—Mr. Jarvis, Sr.?

A.—Yes.

Q.—Young Mr. Jarvis, he didn't know?

A.—He didn't know.

Q.—And your brother in California, he would know something about it?

A.—I would think so.

Q.—He did not discuss the matter with you at all?

A.—No, sir.

Q.—And the reason that legals were taken, that is cash instead of a marked cheque, was to kind of cover up the transaction?

A.—That is quite right.

Q.—You have been paying lots of commissions before?

A.—How do you mean?

Q.—I mean people have put deals through before, come to you with issues?

A.—Yes, we didn't do it in legals though.

Q.—Cheque over the counter?

A.—Yes, sir.

Q.—And what was the reason Jarvis wanted it that way?

A.—For the reason he didn't want the organization to know A. H. Pepall was getting a commission. It is not healthy.

Q.—What do you mean by the organization?

A.—I mean the staff.

Q.—Who were the staff? Were you afraid of jealousy among the staff?

A.—No, I would not say; but the accounting staff, the juniors or any person—

Q.—They would go out and gossip?

A.—Yes, sir.

MR. DOHERTY: Discussing the matter of commissions on these loans, do you know of the issue made September, 1919, for \$4,000,000 and sold to the Home Bank?

A.—Yes, sir.

Q.—Do you know the price at which it sold?

A.—It is in the blue books.

Q.—How much?

A.—94.48.

Q.—Was your firm in the syndicate that bought that from the Home Bank?

A.—No, sir.

Q.—Do you know at what price the syndicate did buy?

A.—We understood around 97.

Q.—96.85, exact figures. Did the Home Bank turn them over to Ames, Wood-Gundy, and Dominion Securities at 96-85?

A.—Yes, sir.

Q.—What would be the commission there?

A.—Well, I should think the spread between 94.48 and 96.85.

Q.—2.37?

A.—Yes.

Q.—Do you know the price that went to the public?

A.—I can get it for you.

MR. CURRIE: Your firm did not participate in that?

A.—No, sir.

MR. DOHERTY: It was put out at 98.12 to the public, what would be the spread?

A.—1.27.

MR. PRICE: That was the 10-year one?

A.—Yes, sir.

MR. DOHERTY: So the difference between what the Province sold to the Home Bank and what went to the public —

A.—Of course what went to the public doesn't matter. I mean the dealer has got to have a profit.

MR. DOHERTY: I mean, just talking about commissions of one-sixteenth, I just want to show how absurd it is.

MR. CURRIE: I think myself it is —

A.—Well, he was referring to treasury bills.

MR. DOHERTY: So the commission the Home Bank made on that four was 2.37?

A.—Over \$80,000.

MR. CURRIE: Is there anything else you know in connection with it that will help the Committee, because we don't want to suppress anything. Some of the papers are suggesting we are trying to suppress the facts.

A.—Well, I don't know of anything.

MR. PRICE: Was there any further loans upon which your firm got commissions?

A.—No, sir, three, three and five.

Q.—Why did you discontinue?

A.—Because, to be candid, of pressure from the bond dealers on the street who said this must stop.

Q.—You were getting the business?

A.—The dealers were naturally—I might say we continued for some years to buy nearly every loan that came out.

Q.—And when did you reach the time that the dealers practically forced?

A.—We reached it right here when we bought in April, 1920; and in June, 1920, we bought; October 20, we bought \$3,000,000 and took a lovely trimming. The market broke.

Q.—Before that there was no advertisement for tenders.

A.—Yes, sir; they were called for in every case. I believe Mr. Smith informed us.

Q.—They were called, but no advertisement in the press?

A.—No, sir. He would write as they do in most cases.

Q.—I am told in the department there was no opening of tenders with all the brokers there up to a certain period?

A.—I think you are right.

Q.—Do you know when that opening of tenders was commenced?

A.—Yes, sir; it commenced I should say at the time, around March, 1920.

Q.—That March, 1920, one was in—

A.—Well, 1920.

Q.—After that \$5,000,000?

A.—Yes. In 1920 the dealers were naturally—we were very keen on holding the business, the dealers were very keen on us not holding it, and Mr. Smith then inaugurated the plan of open tenders.

Q.—So when he inaugurated the plan of open tenders there was no use paying your brother a commission?

A.—Absolutely not.

Q.—You didn't get any further business after that?

A.—We certainly did. We bought most of the Ontario business that came p.

MR. CURRIE: Your firm got a lot of these issues in competition?

A.—Yes, sir.

MR. DOHERTY: Even when Andy Pepall was acting for you and you got those issues, do you or do you not know of other brokers being called up and asked for a bid?

A.—I certainly do. I think you will find it on the file, specific letters.

Q.—You never got any of these issues without being the highest?

A.—Well, it certainly was not done by bids, but we would try to get it at the lowest figure we could.

Q.—Any advertisement?

A.—No, sir.

Q.—In three or four millions how many are there in Toronto who can bid?

A.—At that time, Ames, Wood, Gundy and Dominion Securities, but don't get the impression Jarvis got stuff on any of these people by any secret conference.

Mr. Smith said you can have them if you bid so and so, which was over that.

MR. GRAVES: You could have it?

A.—If you wanted it.

Q.—Why should you have that opportunity?

A.—It should not be done. I am in favour of open tenders, but if we can get them by open negotiation.

MR. DOHERTY: The Province did not suffer by it?

A.—I should certainly say they did not.

Q.—You bid more than anybody else?

A.—Yes.

Q.—You paid more?

A.—If you are Provincial Treasurer and you are offered 99 in writing and you say to me I will give you these bonds at $99\frac{1}{4}$. If we offered that we come up and negotiate and you can say we will not give that to you or you say you would, and I will say if the market didn't look right, you can have that. That was an unfair advantage, if you like, and we welcomed it, every house in the country would welcome it, and I maintain Jarvis has nothing to be ashamed of.

THE CHAIRMAN: In other words your stand in with your brother enabled you to get in ahead of anybody else if you wanted to?

A.—But not on open tenders.

Q.—If somebody else offered 99 you could give $99\frac{1}{4}$ —

A.—And have it.

Q.—And give your brother a quarter.

MR. PRICE: There is another one 15th June, 1920, that is a Treasury Bill

A.—Yes, sir.

Q.—And I see you got that, 99.50?

A.—Yes, sir.

Q.—Do you recollect that?

A.—Yes, sir; the records are right there.

Q.—There was no bidding on that?

A.—No, sir. I believe the Home Bank and ourselves got it. Maybe we had it aside from the Home Bank.

Q.—Was there any commission on that?

A.—No, sir; there was nothing in it. At that time money was very difficult to get for transaction.

MR. McKEOWN: When the Treasurer, Mr. Smith, asked for bids on Provincial loans he asked several brokers in the city?

A.—Yes, sir.

Q.—He asked your firm along with others?

A.—Yes, sir.

Q.—I understand you say other firms sent in written bids?

A.—Yes.

Q.—Did yours?

A.—No, sir. As a matter of fact I would say that it was hardly done on that basis of bidding. It was a matter of checking the markets. We would come up and have a discussion just as I have done many occasions with Mr. Price. He would ask my opinion of the market, and I would give it to him, whether to go to the United States or Canada, and we would give it to the best of our knowledge; always looking at it in a big way from the Province's standpoint, then if we were bidding, at a half say over the price of these other dealers, we would only decide whether we wanted it, and that decision would not be only a click of your eye.

MEMBER: Was the Bond Dealers' Association in this?

Q.—So you had the inside track?

A.—Quite right.

COL. CURRIE: Wouldn't it mean, then, if any municipalities asked for tenders and you tender, very often different clerks will call you up and say we are bid 99, if you give us another quarter you can have it.

A.—If he does that with you all right. But if I am a dealer I will say we won't bid, and we said to Mr. Smith this thing has got to stop. We realized it could not go on, it will get so the dealers won't bid.

MR. GRAVES: No object in the others bidding?

A.—Quite right; we had the refusal of the business.

MR. CLARKE: He says they did bid?

A.—They did, but they were foolish to bid.

Q.—The other firms bid by letter in response to the Treasurer's requests and you come up and by personal interview get the business.

A.—No. I could block that thing in two minutes. If Mr. Price wanted to follow those tactics it could be stopped. Simply say we refuse to bid.

Q.—You kill the market.

A.—You kill the market and taboo it.

Q.—Call a meeting of the Bond Dealers' Association?

A.—And while you are talking one has negotiated something different ways.

MR. CURRIE: Did your firm pay anything for that business?

A.—We paid a quarter. All this we did privately, but—

Q.—To who?

A.—A. H. Pepall.

MR. GRAVES: There are only two or three bond houses who could tackle that proposition?

A.—No, I would not say that. Mr. Doherty said there are only three. There are numerous houses that would club together and do the same thing.

Q.—They form syndicates.

PUBLIC ACCOUNTS COMMITTEE

The Committee met at 11 A.M., Monday, April 14th, with Mr. Finlayson in the chair.

Albert Edward Nash called; sworn; examined by Hon. W. H. Price, K.C.

Q.—Mr. Nash, you are of the firm of Clarkson & Co.

A.—Yes, sir.

Q.—And your firm was requested by this Committee with the idea of saving time to examine the account of the Hon. Peter Smith in the Bank of Toronto at Stratford?

A.—Yes, sir.

Q.—Pursuant to that order of the Committee did you examine Mr. Smith's account?

A.—I did, sir,

Q.—It was the intention of the Committee, Mr. Nash, that any of the private dealings of Mr. Smith be not brought before the Committee. Have you looked into other dealings which appear to be of a public or extraordinary nature?

A.—I have tried to pick out from the accounts those items of a public or an extraordinary nature only.

Q.—Have you looked at the deposit slips in the bank at Stratford?

A.—I examined every deposit slip from the 1st of September, 1919, until the end of September, 1923.

Q.—1st of September, 1919, that would be a few months before Mr. Smith came as Treasurer?

A.—Yes.

Q.—Did you have the co-operation of the manager of the bank in going over those deposit slips?

A.—Yes, sir, the manager of the bank assisted me in getting the slips out and was with me when I made the examination.

Q.—Will you then give us the first item which seemed to need explanation?

A.—On the 22nd of December, 1919, the current account of the Hon. Peter Smith showed a deposit of \$6,824. An examination of that deposit slip shows that it consisted of seven items of \$1,000 each, one item of \$449, and that there was deducted \$625. The seven items of \$1,000 each, I am informed by the manager of the bank, likely to be items of bills—large bills.

Q.—On this deposit slip which you produce, dated 22nd of December, 1919, we have six \$1,000, that would be six \$1,000 bills?

A.—That is what I am informed by the manager.

Q.—And latterly put in in writing, one \$1,000—

A.—1—\$1,000.

Q.—Making altogether seven \$1,000 bills?

A.—\$1,000 bills.

Q.—As far as you can gather from the deposit slip and the information you have received?

A.—Yes, sir.

Exhibit 137.

Q.—Did you trace those seven \$1,000 bills?

A.—We examined the teller's specification of cash on that night, that is on the night of the 22nd of December, 1919, and it showed no large bills carried in the cash, but on the 22nd of December, on the same day, the remittance despatch book of the branch showed that \$7,000 was remitted to Toronto on that day.

Q.—What is the next item?

A.—On the 27th of December, 1919, the savings account of the Hon. Peter Smith in the Stratford branch of the Bank of Toronto shows a deposit of \$1,143.98.

Q.—Mr. Nash produces deposit slip, dated December 27th, 1919, in the name of Peter Smith and L. A. Smith. Now look, when you produce the 27th of December, 1919, I see that is in P. Smith and L. A. Smith or either?

A.—That is right.

Q.—What is that?

A.—The account was a joint account. I am informed that L. A. Smith is the wife of the Hon. Peter Smith and that is a joint account in the savings department of the bank.

Q.—And in this deposit slip we have one \$1,000 bill?

A.—Yes, sir.

Exhibit 138.

MR. PROULX: Mr. Nash, does the deposit slip indicate who made the deposit?

A.—I can only tell the information I have. The manager of the bank tells me he wrote out the first deposit of \$6,824 himself.

Q.—And this is the second one?

A.—The second one does not appear to be in the same handwriting. I don't know who wrote it out.

Q.—Then in 1920, March 3rd, 1920, appears to be your next item?

A.—On the 3rd of March, 1920, there is an item credited to the joint account of the Hon. Peter Smith and Laura A. Smith in the savings department of the Stratford Bank of Toronto, of \$6,189.40. An examination of the discount register of the bank shows that this was a note signed by A. H. Pepall for \$6,250, the difference between that and the \$6,189.40 being the discount taken by the bank at the time of discounting the note.

Q.—What length of time was that?

A.—The note was made for two months. I did not see the note, presumably it having been returned on payment.

Q.—But the note was for \$6,250, discounted on the 3rd of March?

A.—Yes, sir.

Q.—Coming due in the latter part of April, wasn't it?

A.—I believe the note was actually due on the 1st of May. But there is an item on the 28th of April which we are coming to later which will clear that up.

Q.—Just so the members of the Committee will grasp the significance of that, the cheque of Jarvis & Co. to A. V. Young, dated March 3rd, 1920, for \$12,500, was on the same day as this and \$6,250 is exactly half.

MEMBER: What date?

MR. PRICE: March 3rd, 1920; \$6,250 is exactly half of the cheque.

A.—That is the deposit slip referring to that item.

Q.—The deposit slip is produced by Mr. Nash, showing P. and L. A. Smith either on the 3rd of March, 1920, and credit given \$6,189.40, which is the account value of the note. Produced and marked Exhibit 139. Your next item?

A.—On the 26th of April, current account—

Q.—Mr. Nash, this has all been current account?

A.—No, the second item of \$1,143.98 and the third are saving, and the times with those two exceptions, every item I am referring to is current account.

Q.—Yes, the first, that is current?

A.—Yes, and perhaps to save repetition I should say that from this point on, from January, 1920, on the account was a joint account of Peter Smith and Laura A. Smith.

Q.—Well, it seems to be a joint account?

A.—The savings—

Q.—The current account was changed into joint account?

A.—Was changed into joint account on the 22nd of December, 1919.

Q.—But the savings always was a joint?

A.—Yes. On the 26th of April there is a deposit of \$1,000 deposit slip being marked T. H. Smith. I am informed by the manager that that was the Hon. Peter Smith's brother.

Q.—Mr. Nash produces deposit slip of that day, 26th April, 1920, Exhibit 140, showing \$1,000, T. H. Smith, written in above it, marked as Exhibit 140. Is there any significance in that, Mr. Nash?

A.—I don't know of any. I produce it because I was informed by the bank manager that it was Mr. Smith's brother.

Q.—It was credited to Mr. Smith's account?

A.—It went to the credit of Mr. Smith's account. On the 28th of April there is an item credited to Mr. Smith's account of \$6,250 and on the same day there is a debit in the account that is charged against the account of \$6,250 and the bank records show that on that day the note of A. H. Pepall discounted as previously stated on the 3rd of March was charged to the Hon. Peter Smith's account and that cheque drawn upon the Dominion Bank in Toronto for \$6,250; Proceeds of that cheque were credited to Peter Smith's account taking up the note.

Q.—Have you anything to produce to show that?

A.—The copy of the ledger sheet.

Q.—Well, you can produce that later. Then, Mr. Nash, that transaction shortly was this, that on the 3rd of March, 1920, there was deposited in Mr. Smith's account a note for \$6,250. It was discounted, which made proceeds for the account of \$6,189.40. When the note came due, or a couple of days before it came due, the latter part of April, there was a cheque for \$6,250 of Mr. Pepall's drawn on the Dominion Bank in Toronto that was deposited in Mr. Smith's account and took up the note? Is that correct?

A.—That is what the records of the bank show, sir.

Q.—Then the next item?

A.—On the 2nd of June, 1920, \$2,500 is deposited to the credit of Mr. Smith's account and the records of the bank show so far as can be ascertained that it was a transfer from the Bank of Nova Scotia in Stratford.

Q.—Yes, would that indicate, was it Mr. Smith's own account?

A.—I am informed by the manager of the bank that he did have an account in the Bank of Nova Scotia.

Q.—Mr. Nash produces credit deposit slip showing cheque of \$2,500 deposited on June 2nd, 1920, and also the bank's clearings with the various other banks in Stratford, which shows that this \$2,500 was on the Bank of Nova Scotia. Produced and marked as Exhibit 141.

Q.—June 8th?

A.—On the 8th of June, 1920, \$1,000 was credited to Mr. Smith's account. This deposit slip, which has no date but has been traced by the accountant of the bank as being a deposit slip of the 8th of June, 1920, and his pencil notation appears on the back of it, shows that consisted of two items of \$500.

Q.—Two \$500 bills, a thousand dollars. Produced and marked as Exhibit 142.

A.—We examined the teller's specification of cash on that day and there was no legals shown, but there was an item marked \$1,000 of legals in safe.

Q.—Just so we are clear on that, legals would be \$500 bills or \$1,000 bills.

A.—Yes, not less than \$500.

Q.—Not less than \$500. This deposit slip shows two \$500 bills. Just to check that up for the Committee while we are at this point. On June 8th

920, this is a reference to Mr. Clarkson's statement of the loan account of June 8th, 1920, we have evidence in here of Mr. Whittaker that there was \$1,000 commission drawn from the Home Bank, brought out of the bond department on the loan of May 15th, 1920. On June 8th, \$1,000 was drawn. On the same day, \$1000 was deposited in this account, Mr. Smith's account. Next item?

A.—On the 2nd of July there is a deposit in the account of \$3,950. The deposit slip shows that it consists of an item of \$4,000, less cash \$25 initialled by L. A. S. and an item of \$25 deposited to the credit of R. N. Smith, making a net amount credited to the account of \$3,950. The cash item lists for that day shows that that item was a cheque from Æmilius Jarvis & Co. of Toronto to Peter Smith.

Q.—What you produce, Mr. Nash, is the deposit slip of the 2nd of July showing a cheque, \$4,000 and—what do you call this?

A.—Cash item list.

Q.—Cash item list of the bank showing, apparently on the 30th of June. What is the date of the cheque?

A.—That is the date of the cheque.

Q.—Showing cheque, dated 30th of June, Æmilius Jarvis & Co., Toronto, Peter Smith, Commerce, drawn on the Commerce, \$4,000. Produced and marked as Exhibit 144.

MR. PRICE: If the Committee doesn't object I would just like to refer them to the items I have here. I think it will simplify it very much. On the 30th of June the Province issued a cheque to A. H. Pepall, 30th of June, 1920, for \$4,000. This cheque, as we got the other day, was deposited in Jarvis & Co.'s account and went through the clearing house, deposited there, was paid apparently on the 2nd, went through the clearing house on the 3rd of July. It was drawn on—a voucher for June 30th here, the voucher of the department shows, June 30th, approved of by Mr. Smith and signed by Mr. Sproule. Next item?

A.—On the 29th of July there is a deposit of \$1,500, a deposit slip showing three \$500's.

Exhibit 145.

Q.—29th of July, 1920, three \$500's, \$1,500. Slip produced and marked as Exhibit 145. Just while we are at that item and so as not to have to go back and give a lot more evidence, Mr. Clarkson has produced, relating to the bond issue of 6 per cent., or 6 per cent. Treasury bills, dated June 15th, 1920, that on July 30th, 1920, a day previous to this cheque for \$1,500, \$2,000 was cashed as general expenses, later \$500 was refunded from Toronto branch which charged the amount to its interest account; that means \$1,500 went out of the Home Bank's commission on July 28th, and this cheque deposited in Mr. Smith's account of \$1,500 on the 29th.

A.—On the 13th of September, 1920, a deposit of \$900, consisting of a cheque of \$1,000, less \$100, the cheque being the cheque of T. H. Smith.

Q.—September 13th, deposit slip 13th, 1920, deposit slip Hon. Peter Smith, \$1,000, and with the cheque, attached to it, this is the same Thomas H. Smith, another?

A.—I am informed that, I do not know.

Q.—And it is endorsed by Mr. Smith. Produced and marked as Exhibit 146.

Q.—Is there anything on that item?

A.—Nothing sir, except as being a transfer from T. H. Smith's account.

Q.—Next item?

A.—On the 6th of November, \$1,000. According to the cash item list of that day shown as a transfer from the Bank of Nova Scotia.

Q.—Yes, it is undated, I see.

A.—Undated, sir, and the accountant of the branch traced it up and that is his notation as to the correct date of that deposit.

Q.—November 6th, 1920, also produced the cash sheet, which shows the various cash items charged up to the various banks. Produced and marked as Exhibit 147.

A.—6th of December, 1920, \$500, deposit slip shows one \$500 bill. It doesn't say the word bill.

Q.—These items are put in in writing generally, one \$100, see, they are put up usually—you know the average deposit slip. There is one \$500 in there, and 1, 2, 5, 10, 20 and 100; that is written in in ink, one \$500.

MR. SINCLAIR: The only difference is we usually use the one.

MR. PRICE: Produced, 6th December, 1920, produced, Exhibit 148. Referring to that item, the \$500 which is deposited, on the Exhibit 148, which was blank, which it has been shown should have been dated 6th of December, charged up in the Home Bank to a loan dated 15th October, 1920, is an item of November 6th, 1920, cheque for \$1,500 payable to general expense, which was cashed on December 1st. On December 1st that amount was cashed, this is for \$1,500; this item is one for \$500 five days later.

A.—On the 4th of April, 1921, a deposit \$937.50, the deposit slip consisting of one \$500 and some other items which presumably are cheques. I am informed that those would likely be cheques. Attached to this deposit slip is a debit note for receipt of a Dominion of Canada legal \$500 signed in pencil Mrs. P. Smith.

Q.—Well, would this receipt be given to the bank?

A.—The manager of the bank tells me that that was given to him as a receipt, that he would take that as a receipt for that.

Q.—Well, it was being deposited in the bank at the same time; what is the object of it?

A.—I cannot answer that, sir, I don't know.

Q.—Mr. Nash produces deposit slip, dated 4th of April, showing one \$500 bill deposited and apparently several other cheques, and attached to it is a receipt signed by Mrs. Smith, Received from Bank of Toronto, Dominion of Canada legal, \$500.

Exhibit 149.

MR. CURRIE: That is the withdrawal?

MR. PRICE: No, apparently a receipt she gave the manager.

MR. CURRIE: Who was that charged against?

MEMBER: Mrs. Smith got that.

A.—No, it is not charged against the account, although the bank manager probably should be asked to answer that; I don't know anything more than he told me.

MR. PRICE: The next item?

A.—5th of November, 1921, a thousand dollar deposit, the deposit slip doesn't state that that is a one thousand dollar bill and the teller's specification of cash doesn't show there were any legal notes on hand at the end of the day, but the Canadian bank notes included in the cash increased that day from \$1,010 to \$2,060.

Q.—Deposit slip, dated 5th November, showing one thousand put in but not designating what bills.

Exhibit 150.

MR. CLARKE: Is that a legal?

MR. PRICE: It is where the legal would be but there is no designation, Mr. Clarke. (To witness) That is dated November 5th, is that all in 1921?

A.—That is all that appears in 1921.

Q.—And 1922.

A.—On the 30th of January there is a deposit of \$7,158.41 and on the 5th of January a deposit of \$1,042.72; they appear to have been transferred by the records of the bank show they have been transferred from the T. H. Smith estate account. I know of nothing significant about this, but being large deposits I thought—and coming from the account from which previous cheques had been drawn, I thought it should be produced.

Q.—Produced and marked as Exhibit 151. And the next one, March then?

A.—On the 6th of March, 1922, is deposit of \$805.91, deposit slip shows the \$1,000. It doesn't say whether that is a thousand dollar bill, less \$500, initialled in for in pencil by L. A. S., and another item of \$305.91, making a total of \$805.91.

Q.—That is all in ink, thousand dollars being the top one; deposit slip produced and marked as Exhibit 152.

MEMBER: What is the amount of the deduction from the thousand?

MR. PRICE: From the thousand there is \$500 which L. A. S. is opposite. That is Mrs. Smith's initial; then there is a second of \$305.91 which brought the total up to \$805.

A.—We examined the teller's specification of cash, which contained no legal, but on the 7th of March the following day, the Canadian bank notes were cleared by remittance to Toronto of a sum considerably larger than that item.

MR. CURRIE: In other words the bank account showed no legal the day before and the following day it showed legal?

A.—No, it didn't show legal before or after. It simply showed the following day a clearing of Canadian bank notes to Toronto.

Q.—What is the difference between a Canadian bank note and a legal?

A.—Well, I am informed by the manager of the bank that Canadian notes, bank notes, means, notes of banks that are not represented in Stratford.

MEMBER: So that it might include legal put in?

MR. CURRIE: The legal might be put in along with that?

A.—I cannot say that.

MR. PRICE: In most cases, it shows legal, but in a few cases it doesn't, apparently?

A.—On the 2nd of May, 1922, \$1,000, deposit slip showed \$1,000. The teller's specification of cash examined shows no large legal, but the Canadian bank notes account increased from \$2,165 to \$3,355, or an increase of \$1,190.

Q.—Deposit slip produced, 2nd of May, 1922, with deposit of \$1,000 on it, marked as Exhibit 153.

MR. CLARKE: Just one item?

A.—Yes.

MR. PRICE: The significance of that is this, that the following day the bank's account showed that they had that much of outside bills which they were shipping to Toronto, doesn't it?

A.—Not necessarily shipping to Toronto.

Q.—That is, bills of banks outside Stratford to that amount next day?

A.—Well, to an amount greater than that.

Q.—Greater than that next day. It had increased, the outside currency had increased, that much next day?

A.—That is right.

Q.—Next item?

A.—On the 6th of May, 1922, a deposit of \$4,040.60, the cash item sheet shows that the Royal Bank was charged in the clearing with \$4,045.60, being a debenture of the British Mortgage & Loan Co., and I confirmed that on that day the British Mortgage and Loan debenture was, the proceeds of the debenture were credited to that account.

Q.—Mr. Nash produces deposit slip, 5th May, \$4,040.60. And with the cash list of the bank attached, marked as Exhibit 154. Have you inquired into the significance of that item, \$4,040?

A.—I inquired from the manager of the bank and he inquired while I was with him from the British Mortgage & Loan Co., and they confirmed that was a debenture of theirs which was, the proceeds of which were put to Peter Smith's account.

Q.—That debenture was sold and the proceeds deposited in the account.

A.—I presume that would be so.

Q.—Where is their office?

A.—They have an office in Stratford.

Q.—And they inquired and found out that that day one of their debentures was sold and the proceeds credited to Mr. Smith?

A.—I don't know when the debenture was sold but the amount was credited to Mr. Smith.

Q.—Next?

A.—22nd of June, 1922, deposit of \$1,500, the deposit slip is dated 23rd of June and shows two \$1,000 dollars less \$500.

Q.—23rd of June, 1922, deposit slip, Peter Smith, two \$1,000 amounts. They use the \$100 amount up where the bills would be placed and added a nought to it, making two \$1,000—\$2,000, less \$500. I presume there being cash drawn out the same time as the deposit. Exhibit 155.

MR. CURRIE: Does the joint account show \$500 credited to it on that day?

A.—No.

Q.—That apparently would indicate these were the large bills, because smaller bills would be drawn out the same time?

A.—On the 11th of September, 1922, a thousand dollar deposit, marked one \$1,000.

Q.—Indicated just the same way, with a nought added to the 100, and 1 placed before that, marked as Exhibit 156.

MR. CURRIE: Did you find out if these were legals?

MR. PRICE: What does your record show there?

A.—There were no large legals in the teller's specification of cash on that day, but on that day there was a remittance to Toronto of \$4,860.

Q.—Next item?

A.—1st of December, 1922, a deposit of \$4,023.48, the cash item list shows that to be a cheque, dated 30th November, from Osler & Hammond.

Q.—Deposit slip produced, dated 1st of December, \$4,023.48, the amount

of the deposit, a cheque from Osler & Hammond, apparently, dated 30th of November, drawn on the Dominion Bank for \$4,023.48, in favour of Peter Smith. Did you look into that further, Mr. Nash?

A.—No more than the examination of this cash item sheet.

Exhibit 157.

Q.—Next?

A.—22nd of December, deposit \$500, the deposit slip, dated 21st of December shows one \$500.

Q.—22nd of December, 1922, deposit slip, apparently that is the 21st?

A.—The deposit, dated 21st, the account shows credit on the 22nd.

Q.—It is written in ink up where the bills would be indicated, one \$500, produced and marked Exhibit 158. Have you followed that to see whether it was sent down to the head office or sent out that night?

A.—We examined the teller's specification of cash, which showed no large bills, but an increase in the Canadian bank notes of \$1,055 which were cleared to Toronto on the 26th of December.

Q.—Well, let me understand, was it the custom of the bank to clear to Toronto on the same night or the next morning?

A.—Well, the remittance book indicates to me that they cleared every few days when they had a sufficiently large amount to make it worth while, I think the manager of the bank—

Q.—Have you looked over these two or three days to indicate that these were cleared to Toronto?

A.—Yes, we have.

Q.—In each case to identify whether these were legals?

A.—Yes.

Q.—I mean large bills of \$1,000 or \$500?

A.—Yes, and we see amounts cleared to Toronto sufficiently large to contain those.

HON. MR. BIGGS: In this case the clearance to Toronto was more than double the deposit?

A.—Yes.

Q.—It must have come from some other source?

A.—As I explained, the Canadian bank notes account, I am informed, is the notes of banks not represented in Stratford.

Q.—They would be sent by express or registered mail to Toronto?

A.—I don't know how, the manager of the bank would tell you. I cannot tell you how.

WITNESS: On the 13th of January, 1923, deposit, \$9,146.96.

Q.—What did that include?

A.—I can only give you what the manager of the bank informs me are the details. He believes that to be a cheque paid to Mr. Smith by an official of the British Mortgage & Loan Co. to repay Mr. Smith for certain bonds of the Province of Ontario purchased for this official.

Q.—Deposit slip produced and marked, dated 13th of January, for \$9,146.06, marked as Exhibit 159.

MR. BELANGER: One item? It was a cheque?

A.—There is in the account of Mr. Smith on that day an item of \$9,046.96 and two days later an item of \$100 is charged against the account.

MR. PRICE: Just explain that item again so we will get it clearly, \$9,146.96?

A.—That is an item charged to the account of Mr. Smith.

MR. CURRIE: Charged?

A.—Charged to the account, and two days later, \$100 charged to the account, and this amount, this deposit of \$9,146.96 being the aggregate of those two charges credit to his account on the 13th of January.

Q.—You inquired into that to get the explanation of it; what was the explanation?

A.—The explanation which came from the manager of the bank was—I think in fairness to him, I should say to the best of his recollection—that there was a cheque from an official of the British Mortgage & Loan Co. to repay for the purchase of certain Ontario bonds.

Q.—Well then, Mr. Nash, it amounted to this, that there was a cheque out for that amount or about the equivalent and a cheque in?

A.—Cheque in.

Q.—Practically a cross entry?

A.—Practically a cross entry.

MR. BELANGER: To whom was the expenditure?

A.—I cannot tell you. The account did not show that, the cheques are not available.

MR. PRICE: It was another transaction apparently with the British Mortgage & Loan Co.

MR. BELANGER: With the same company?

MR. PRICE: With the same company; they had a branch or their head office in Stratford?

A.—I am not sure they have a branch.

Q.—Well, we will get that information.

HON. MR. DOHERTY: Wouldn't it look as if some person in this company asked Mr. Smith to buy some Ontario bonds and Mr. Smith bought the bonds and the bonds were delivered?

A.—I would be theorizing if I answered that. I am giving you exactly what the manager told me, from what his recollection was.

Q.—You would say his recollection is that is the transaction?

A.—That is his transaction; he probably can give you more. Of course the information I had I got from him and that is all I could get.

WITNESS: Fifteenth of September, \$1,076.14, and the bank records show that that was the proceeds of a Dominion Government bearer bond of \$1,000.

MR. PRICE: Deposit slip produced, dated 15th of September and marked as Exhibit 160. That would be, Mr. Nash, that he cashed that bond, got credit for it in the bank that day?

A.—That would be, I think, the explanation.

Q.—That is, he is given credit in his account for \$1,000 and it mentions there is a bearer bond?

A.—The account does, but the records of the bank show.

Q.—Then September 18th?

A.—The account of Mr. Smith shows a deposit on the 18th of September of \$5,363.76, the deposit slip is dated 29th of September. I inquired as to that difference and the manager tells me it is sometimes mistakes are made in the entering of the ledger as to the date. You will notice when this is produced that there are several blank spaces, no dates filled in there, but the last date in the ledger sheet is the 18th. The records of the bank show that to be the proceeds of \$5,000, Dominion of Canada bearer bond, together with an item of \$113.76.

Q.—Well, that is a similar item to the \$1,000?

A.—Yes, similar to the \$1,000, yes.

Q.—Deposit slip produced. Exhibit 161. Dated 29th of September.
[ext?

A.—On the 4th of October, 1923, deposit \$10,198.91, which the records of the bank show to be proceeds of \$9,500, Dominion of Canada bonds.

Q.—Deposit slip produced, marked 4th of October, 1923, showing \$9,500?

A.—Dominion of Canada bonds.

Exhibit 162.

MR. CURRIE: Let us understand that; that meant he cashed those bonds to the bank and the bank put the proceeds to his credit?

A.—Yes.

MR. PRICE: It doesn't indicate what the Dominion bonds were?

A.—I think that the records of the bank would show the denominations and in the case of the first one of \$5,363.76 I have the numbers of the bonds that were cashed.

Q.—Just give us the numbers?

A.—T E 178856 to 178860, inclusive, five \$1,000's.

MR. CURRIE: Dominion?

A.—I believe that the bank can produce the numbers of the \$9,500.

MR. PRICE: Now these are five \$1,000, what was that date?

A.—Eighteenth September, 1923, cashed.

MR. CURRIE: As near as you can find out from your examination that showed that Mr. Smith handed those Victory bonds in to the manager and the manager sold them or their bond department took them over and gave cash for them and placed to his credit?

A.—Well, I don't know, but it shows they were the proceeds of five \$1,000 Dominion of Canada bonds.

MR. PRICE: So the odd amounts would be for interest. Have you got any other item there?

A.—No, sir.

Q.—Will you produce the ledger sheets.

MEMBER: What is the total of those deposits?

MR. PRICE: About \$18,000 odd; \$18,000 in legals; these other items \$10,000, \$5,000, \$9,000, about \$26,000 in other items and \$18,000 in legals.

MR. MACBRIEN: Then the total would be about \$45,000 or \$50,000.

MR. PRICE: Of course there are a lot of other items that have not been one into because they do not appear to have any significance. Now will you produce the ledger sheets so we can get them on the records?

A.—That is a copy of the saving account, Mr. Smith's account in the branch, made by me personally.

Q.—Mr. Nash produces a copy of the savings account of the Hon. Peter Smith and Laura A. Smith or either, 89 St. Vincent Street, Stratford, as made by him from the records of the bank. Produced and marked as Exhibit 163.

A.—And these seven sheets are copies of the current account of Peter Smith and the joint account of Mr. Smith and his wife as made by an official of the branch of the Bank of Toronto in Stratford.

Q.—Covering what period?

A.—Covering the period from the 1st of September, 1919, to 31st of October, 1923. The green references on that were made by me during my examination.

Q.—Produced and marked as Exhibit 165. Just while you are at those

accounts I see you went back to September, 1919, prior to the date Mr. Smith came to Toronto. Did you go back further than that, look over the account further than that?

A.—No, sir, not any more than a brief examination of the ledger.

Q.—Did you find deposits of large bills, legal tender, before that time?

A.—I found none prior to the 22nd of December, 1919.

Q.—Then Mr. Nash, you have made certain items here. There are certain items concerning coupons, and there are quite a number of them I understand but we will take some of the larger ones. On July 6th, 1920, apparently, there were \$707.13, the amount, aggregate amount of coupons deposited in the account.

A.—Yes, sir.

Q.—Have you got that deposit slip?

A.—I have, sir, deposit slip dated 5th of July and is marked coupons.

Q.—This deposit slip dated 5th of July shows coupons written across the top of it.

MEMBER: What year?

MR. PRICE: All 1920.

MEMBER: That would mean coupons clipped from bonds held by Mr. Smith.

MR. PRICE: Yes, 27 at \$7.29—\$196.83; seven at \$72.90—\$5,023, making a total of \$707.13. The bank manager will no doubt be able to explain just whether he had these bonds in his possession or whether these were coupon handed in to him. Produced and marked Exhibit 165. Then July 3rd you have another deposit?

A.—The deposit slip of \$1,827.50 consisting of 20 items of \$12.50, 21 item of \$2.50, and 61 items of \$25.

Q.—Making a total of?

A.—\$1,827.50.

Q.—The deposit slip shows it written in in ink showing the amounts which we believe are coupons, produced and marked as Exhibit 166.

Mr. Chairman and gentlemen, there are a lot of others quite small but I am taking the large ones. There are several items \$13.75.

MR. CURRIE: What is the total amount of the coupons?

MR. PRICE: Yes, we will get that. What is the next?

A.—1st of November, 1920, items which appear to be coupons, of \$862.50 and New York funds marked underneath of \$88.35, total of \$950.85.

Q.—\$950.85. That is indicated just in the same way, the coupons in each case being placed after the number.

MR. CURRIE: Well, there is an item of New York funds which would signify cheques. Have you followed through to find the reason for this \$88.35 or any other items?

A.—No, sir, the bank records do not give the details of coupons that are cashed from time to time.

MR. PRICE: Mr. Nash, you have had experience in auditing bank accounts if the item was \$862.50 and it is added New York funds, what would it indicate?

A.—It would indicate to me that the coupons were payable in New York funds.

Q.—And that Mr. Smith got credit of that in his account?

A.—Yes.

Q.—Produced and marked as Exhibit 167.

A.—3rd of January, 1921, there is no mention of the word coupons but the amount indicates that coupons, value \$824.66.

Q.—3rd of January, so many at \$7.29, others at \$14.58 and so on, and 7 at \$72.90. Of course these would be, might be, 4 or 5 or 5½. It could easily be figured out. Produced and marked as Exhibit 168.

Next item? There is one in February, \$1,827.50.

A.—The deposit slip is marked 5th of January, 1921, and then changed in pencil to February 21st, a total of \$1,827.50, consisting of 21 items of \$2.50, 20 at \$12.50 and 61 items of \$25.

Q.—Produced and marked as Exhibit 169.

You will notice that that is about 6 months from the time that \$1,827.50, the exact amount, was deposited before; that would be the 6 months period which the coupons would cover.

MEMBER: How much would the coupons—

MR. PRICE: About \$72,000 at 5, \$66,000 at 5½.

WITNESS: On the 1st of October, 1921, what appears to be coupons although not marked on the deposit slip is \$552.50 and underneath that New York exchange \$53.80.

Q.—That is \$552.59 And here is another with the New York exchange; exchange shows, Mr. Chairman and gentlemen, that these were payable in New York and anyone holding them would get exchange.

MR. CURRIE: That is above if he held the bond here.

MR. PRICE: Yes, the banks give you credit for it. Exhibit 170.

Q.—What other items?

A.—On the 1st of April, 1922, \$582.44.

Q.—Just the same way, the numbers in each case added up, produced and marked as Exhibit 171.

HON. MR. BIGGS: What is the date of that last item?

A.—April 1st, 1922.

MR. PRICE: What is the next?

A.—On the 7th of October, 1922, \$277.59.

Q.—Produced and marked as Exhibit 172. Any others, Mr. Nash?

A.—That is all that I have dealt with.

Q.—What is the last deposit and coupon, what date?

A.—7th October, 1922. There are some smaller deposits marked coupons but being of a small nature I did not detail them on this exhibit.

Q.—The next in 1923?

A.—On the 1st of May, 1923, one of \$104.50, a small one.

MR. WIDDIFIELD: What is the idea of going back to the end of September, 1919?

A.—My instructions were to cover a period from the end of 1919 to the present time.

MR. WIDDIFIELD: That would not be in 1919—

MR. PRICE: It said 1919 in the—but it probably would have been better to have stated certain months.

MR. CURRIE: You wanted to satisfy yourself that Mr. Smith, previous to that, was not indulging in any of these large deposits?

MR. PRICE: There is just one other item. We will place in as a summary, what you have covered from your inspection of the account, Mr. Smith's account at Stratford. Produced and marked as Exhibit 173.

Now, Mr. Nash, are there any other things that you think you should bring to the attention of the Committee?

A.—During practically the whole of this period of some four years Mr.

Smith had a very active account. I did not think that it was the intention to examine any personal transactions of Mr. Smith, and I tried to segregate so far as possible those items which I thought would be of importance. Amongst those items that I have not brought to the attention of the Committee are a great many deposits made in cash of \$100 bills, \$50 bills, \$25's and \$10's, amounting as high as \$300 or \$400 in one deposit and as low as \$100.

Q.—How much would these aggregate?

A.—They would aggregate some seven or eight thousand dollars over the period.

MR. CLARKE: Over a period of three or four years?

A.—Four years. Apart from those I have nothing else to report as to my findings on examination of this account.

MR. CURRIE: Did you find Mr. Smith's salary cheque deposited?

A.—I found Mr. Smith's salary cheque deposited there almost without exception every month.

Q.—You did not take that into these amounts at all? I mean those items you have given us?

A.—They are of course shown on the copy of Mr. Smith's current account which was put in as an exhibit.

Q.—But you didn't take them into consideration in any of those deposits you brought to the attention of the Committee?

A.—They are not included in any of the items I have mentioned.

Q.—You made a calculation of these coupons? What would these coupons represent half yearly in the way of $5\frac{1}{2}$?

A.—I did not make a calculation. Without knowing what rate of interest the bonds would demand it would be impossible to make an accurate calculation of what bonds might be held.

Q.—You would not want to volunteer?

A.—I would prefer not to volunteer any statement.

Q.—Supposing $5\frac{1}{2}$?

A.—Well, I could work that out on the basis of $5\frac{1}{2}$. The \$1,827.50 credited half yearly at $5\frac{1}{2}$ per cent. basis would mean that somewhere between \$60,000 and \$70,000 of bonds—

Q.—Coupons had been clipped and cashed on between \$60,000 and \$70,000 of Victory bonds, $5\frac{1}{2}$?

A.—If the bonds were $5\frac{1}{2}$ per cent. bonds.

Q.—These coupons were negotiable without the bonds?

A.—I don't know what the coupons were or anything. I only know they were marked as coupons deposited.

MR. PRICE: They are negotiable just like money.

MR. PROULX: What was the highest amount on deposit during four years?

THE CHAIRMAN: Credit balance?

A.—The highest balance to Mr. Smith's current account at Stratford, I would say that my recollection is around \$11,000.

MR. WIDDIFIELD: Do you know the credit at the beginning?

A.—Yes, current account would give us all that information.

MR. PRICE: Mr. Nash is here to answer all questions?

A.—On the 30th of August, 1919, the balance to the credit of Mr. Smith was \$35.59.

MR. CURRIE: \$35 and how much?

THE CHAIRMAN: \$35.59.

MR. OAKLEY: What was the credit on September of 1923?

A.—September, 1923, the account—\$5,941.84.

Q.—And that varied from month to month?

A.—Varied from day to day as cheques issued or deposits made. The highest balance was on the 22nd of December, 1919, amounting to \$11,036.27.

Q.—That account I was speaking of there was current account. Were there any large sums to the credit of his savings account?

A.—The largest amount placed to the credit of savings was \$6,189.40.

Q.—Altogether?

A.—That was the largest individual amount placed to the credit—

Q.—Balance?

A.—No, individual deposit.

Q.—What is the largest balance in that account?

A.—Largest balance was on the 27th of December, 1919, \$4,750.73.

Q.—How much was the other balance at that day, \$4,000 you say roughly, what is the other?

A.—Well, on the 27th of December the current account was closed out into the savings account, so that the current account had no balance at all.

Q.—Not at that date?

A.—Not at that date.

MR. BELANGER: Will you refer to the ledger sheets and tell us whether in the months of May and June, 1923, there was a cheque of any large amount issued in that account?

A.—In the month of May, 1923, the largest amount checked out is \$2,000, even. In the month of June the largest amount checked out is \$600 even.

Q.—What date in June?

A.—On the 11th of June.

Q.—And what date in May?

A.—On the 30th May, 1923.

MR. CURRIE: In your examination of the account was there anything to show Mr. Smith carried an account in any other bank?

A.—There were transfers that—

Q.—From where?

A.—That appear to come from the Bank of Nova Scotia.

Q.—In Stratford?

A.—That I do not know.

MR. MACBRIEN: Is there a Bank of Nova Scotia in Stratford?

A.—That I do not know.

Q.—It showed there was an account on the Bank of Nova Scotia, you were told that?

A.—I think I was informed that.

Q.—Was there any other bank account shown at the Bank of Nova Scotia, was there any evidence to show there was an account in this British Loan Co.?

A.—No.

Q.—Was there anything to show there was a personal account being carried by Jarvis & Co. on behalf of Mr. Smith?

A.—No.

Q.—Anything to show Osler & Hammond carried a personal account for him?

A.—No.

Q.—Except the cheques?

A.—Nothing except the cheques.

Q.—And just these, except the cheques, they would not look as if he was checking out of their account and carrying on a brokerage business?

A.—There were no other items in his account that referred—

Q.—No other items that you could refer to?

A.—No.

Q.—That is all you want to give the Committee?

A.—That is all the information I have, Col. Currie.

Q.—Just one more question, that is, did your examination show any similar deposits since September 19th last, since the recent election, October last year?

A.—The last deposit that showed bills of \$500 was on the 22nd of December, 1922.

Q.—A year ago.

George L. McHattie called; sworn; examined by the Chairman.

MR. FINLAYSON: What is your full name?

A.—George L. McHattie.

Q.—What is your position?

A.—Manager of the Bank of Toronto, Stratford.

Q.—How long have you held that position?

A.—Since December, 1912.

Q.—Did you open the office for the Toronto there?

A.—I opened the branch.

Q.—And you have been in charge?

A.—Ever since the branch opened.

Q.—You know the late Provincial Treasurer, Mr. Smith?

A.—Yes, sir.

Q.—Intimately?

A.—Yes, sir.

Q.—He is a customer of the bank, is he in—

A.—Yes, sir.

Q.—The ledger produced, these ledger sheets, show his general account, do they, not as being prepared by you, Exhibit 164, or prepared by one of your staff?

A.—Those were prepared by one of the staff. I have the originals here; those were not checked off by myself.

Q.—This has not been compared?

A.—This has not been compared by me so I cannot swear that is a correct copy.

Q.—You have the original sheets?

A.—I have the original sheets with me.

Q.—Well, you have the originals here, if you would compare these with Mr. Nash this afternoon it will perhaps save putting the originals in?

A.—Yes, sir.

Q.—So you do that this afternoon?

A.—I will.

Q.—And has the savings account been compared?

A.—No, sir.

Q.—This has not been compared either, this Exhibit 163?

A.—Yes, sir.

Q.—You have the originals?

A.—I have the originals here.

Q.—Well, if you will be good enough to, with Mr. Nash, both the saving and general account and will put your certificate on it when you have compared, that is a true—

A.—Yes.

Q.—For the information of the Committee, what Dominion bills do you handle in the office generally?

A.—You mean Dominion of Canada bills?

Q.—Yes.

A.—One's and two's.

Q.—And beyond that you were handling bank notes?

A.—Handling bank notes of five and multiples of five.

Q.—Up to what?

A.—100.

Q.—That is, you handled Dominion bills, denomination one and two, and above that you handled different bank notes in five's or multiples?

A.—Or multiples up to \$100.

Q.—What was the first occasion in which you saw legals of a larger denomination, that is Dominion bills of larger denomination in Stratford?

A.—On the 22nd of December, 1919.

Q.—Well, you tell the Committee what happened on that day in connection with that?

A.—The bills were brought into my office by Mr. Smith and handed to me for deposit.

Q.—Where did he come with the bills, into what part of the office?

A.—He came into my private office.

Q.—Yes?

A.—The manager's office.

Q.—And what did you do?

A.—I made out a deposit slip you now have in your hand.

Q.—That is 137 Exhibit, that is in your writing, is it?

A.—Yes, sir.

Q.—It says Bank of Toronto, credit Peter Smith, 22nd December, 1919, six \$1,000's. You have changed the hundred to a thousand in the printed form?

A.—The printed form only makes allowance up to \$100 and I put a nought after it.

Q.—Well, below I see one \$1,000?

A.—That is an additional one thousand.

Q.—Can you explain that, why it should be six \$1,000, and then one \$1,000?

A.—There might be two explanations, that there were seven \$1,000's handed to me in the first place and I miscounted and Mr. Smith drew my attention to it or else six were handed to me and then another after I entered.

Q.—In any case there were seven \$1,000 Dominion of Canada notes handed to you?

A.—Yes, sir.

Q.—You made this entry of \$7,000 less \$625, what does that mean?

A.—That would mean that Mr. Smith took at that time \$625 in cash.

Q.—Which brought the deposit down to \$6,375, and then I see another addition of \$449, what does that mean?

A.—I haven't traced that item, but no doubt it is a cheque that was handed to me at the same time and added on to the deposit.

Q.—So do I state it fairly you were handed by Mr. Smith seven \$1,000 Dominion of Canada notes and he retained, you gave him, \$625 in cash and then there was an additional item of \$449 which you think was probably a cheque?

A.—Yes, sir.

Q.—It brought the deposit up to \$6,824? Is that correct?

A.—Yes, sir.

Q.—Do you remember the incident?

A.—No, I cannot recall directly the incident.

Q.—Well, Mr. McHattie, large \$7,000 deposits are not extremely common in Stratford, are they?

A.—No, sir.

Q.—And did you ever have a deposit like that in your life before anywhere?

A.—I never had a \$7,000 deposit in one thousand dollar bills to my recollection at any branch I have ever been.

MR. PRICE: Did you ever have any thousand dollar bills before in the bank?

A.—I may have when I was in the London branch?

Q.—In Stratford?

A.—In Stratford, no.

THE CHAIRMAN: Following up what Col. Price has asked you, did you ever have any other customer other than Mr. Smith deposit legal tender with you in Stratford?

A.—No, sir.

Q.—It is the only source you have got legal tender from, Dominion of Canada \$500 or \$1,000 bills?

A.—As far as I know.

Q.—And items of that kind would come to the manager's attention, wouldn't they?

A.—Yes, sir.

Q.—For this reason, if no other, that you would have to send them off to Toronto, have to be remitted to Toronto, wouldn't they?

A.—All the legal tenders are remitted to Toronto, yes.

Q.—Bank notes of other banks that are in Stratford you deposit with that bank?

A.—We clear the bank notes of banks represented in Stratford each morning by depositing them along with their cheques to the bank that morning.

Q.—But legal tenders, like this, these would have to be dealt with under your instructions.

A.—They would be forwarded along with sundry bank bills, that is bills of banks not represented in Stratford.

Q.—But you don't follow me. The bank bills on the Nova Scotia and Montreal and other offices in Stratford, the officials of the bank could not make up deposits without consulting you as a matter of routine every morning?

A.—Yes, sir.

Q.—But when you had Dominion of Canada legals that had to go to Toronto, the manager would be consulted about it?

A.—No, sir.

Q.—So that would be done by the accountant, would he do—

A.—The instructions in the office, when we have a sufficient amount accumulated, that is two or three thousand dollars, to make a remittance at least each week to our head office in Toronto.

Q.—Well, then let us get on. Do you remember this incident, these seven \$1,000 bills, particularly?

A.—Yes, sir.

Q.—Well, what do you remember about it, please?

A.—That there was no conversation with regard to the bills at the time by either myself or Mr. Smith.

Q.—Well, that is a very negative way of remembering. You remember it because there was nothing said, is that it?

A.—I mean to say there was nothing said either by Mr. Smith or myself at the time with reference to the bills when they were deposited.

Q.—Do I understand you to say the reason you remember it was because nothing was said?

A.—No, sir, I remember the bills.

Q.—Do you tell the Committee absolutely nothing was said on either side?

A.—Yes, sir.

Q.—As to the source of them or anything at all?

A.—Yes, sir.

Q.—And do you remember this \$625 amount that was kept out?

A.—No, sir.

Q.—You don't remember that. Following down—Mr. McHattie, you have the ledger there—there is an item on the ledger, March 3rd, 1920, credited to Mr. Smith's account of \$6,189.40, that is deposit slip, Exhibit 139, that is in red, then that means it was in savings?

A.—That is in the savings account.

Q.—What is that item?

A.—That was the proceeds of a note signed by A. H. Pepall in favour of Peter Smith.

Q.—A note for how much?

A.—\$6,250 came into our records.

Q.—\$6,250.

A.—Yes, sir.

Q.—And what date, what period does it run?

A.—I don't know how long the note was drawn for but I notice with reference to our books that there was \$596 interest charged on it which would look like a two months' note.

Q.—Paid slightly before maturity?

A.—Discounted a few days after the date of the note.

MR. CURRIE: Who discounted that note?

A.—Mr. Smith.

Q.—Was it you?

A.—Yes, sir.

Q.—Your bank?

A.—Yes, sir.

THE CHAIRMAN: Did Mr. Smith come to you, Mr. McHattie?

A.—I don't know whether he did or not.

Q.—Well, did Mr. Smith have an authorized line of credit?

A.—No, sir.

Q.—He had no line of credit at all, well then, an item of \$6,250, nobody but the manager would discount it, would they?

A.—I discounted the note.

MR. CURRIE: Did you call up Toronto?

A.—No, sir.

Q.—Before you discounted that note?

A.—No, sir.

THE CHAIRMAN: You say he had no line of credit, no authorized line of credit, and had been in the habit of discounting before, of that kind?

A.—That is the first note I think I ever discounted, that is of that kind, for him. I may have discounted some of his sale notes for him.

Q.—This is the first large authorized note?

A.—Yes.

Q.—What about A. H. Pepall, did you know anything about him?

A.—No, sir, not as to his financial standing.

Q.—Do I understand you discounted this without any reference to the head office?

A.—Yes, sir.

Q.—Is there no correspondence about it?

A.—Not that I can recall.

Q.—Have you looked it up?

A.—No, sir.

Q.—Anything said to you by Mr. Smith about the note?

A.—Will you repeat that?

Q.—When Mr. Smith discounted the note did he make any statement to you about it? When a customer comes to the bank to discount a note he usually makes some statement to the manager?

A.—I cannot recall any statement to me about the note. There may have been but I cannot recall it at the present time.

Q.—No recollection of it at all?

A.—No, sir.

Q.—Have you looked up to see whether there is any correspondence with the head office about it at all?

A.—No, sir.

Q.—Will you make a note of it?

MR. CURRIE: Did Mr. Smith deposit collateral to back up that note?

A.—No, sir.

Q.—Didn't put up Victories or anything like that?

A.—No, sir.

MR. CLARKE: I suppose you knew Mr. Smith and you thought he was perfectly good for it?

A.—Yes, sir.

THE CHAIRMAN: Then you look at March 3rd, 1920, in the ledger to see what credit Mr. Smith had? Mr. Belanger wants to know?

A.—March 3rd, 1919.

Q.—1920, before this note was discounted?

A.—Well, that note was discounted—that would be in the savings.

Q.—You don't discount in savings, do you?

A.—Proceeds were put to the savings.

Q.—But the discount would go through his general ledger?

A.—No, proceeds of the note was put through to the credit of his savings account.

MR. CURRIE: In this case?

A.—Yes.

Q.—Do you mean to say you discount right into a savings account?

A.—That is the account, Mr. Currie.

MR. PRICE: I wish I could get someone to do that.

MR. CURRIE: What are your instructions from the inspectors about discounting? How much are you allowed to discount without reference to the head office by your inspectors?

A.—Of a discount.

Q.—By a person who has only a current account like that and is not running regular business in Stratford, and walks in with a note, how much are you allowed to discount, what amount? There is a limit.

A.—There is a limit at the present time, but there was not at that time.

Q.—There always was!

A.—Not to my recollection.

Q.—Was not there any limit, there was no order for an office of the bank, whereby a local manager without reference to the head office could discount a customer's note?

A.—There is at the present time.

Q.—Do you mean to tell me a customer of yours could walk into the bank at Stratford and produce a note for thirty or a hundred thousand and you had authority to give him cash for it and let him walk out without referring that to the head office?

A.—That would be an abnormal amount.

Q.—Well, this was an abnormal amount of Mr. Smith's?

A.—I don't think so, considering I knew his financial standing and I considered at that time he was quite responsible.

Q.—What is the biggest note he ever cashed before with you?

A.—I could look that up. He had personally, offhand, up as high as two and three thousand dollars.

Q.—You mean he had that balance?

A. No, sir, I had advanced him at different times before that period.

THE CHAIRMAN: Well, Mr. Belanger wanted to have what his credit was or what the balance was on March 3rd, before this note was discounted?

A.—\$1,668.00.

Q.—Is that to credit in the saving?

A.—That is savings, yes.

Q.—And what was his general account credit?

A.—\$241.16.

MR. CURRIE: I want to find out further did he tell you the story about his discounted note, that Pepall was going over to the old country to put through some deals. Now Mr. Smith is going to be here so you had better remember what he said to you?

A.—I don't remember what he said.

Q.—Did you know anything about the circumstances of Pepall going over?

A.—At that time?

Q.—Did you know Pepall?

A.—I met him once.

Q.—When?

A.—At Mr. Smith's live stock sale.

Q.—Who introduced you?

A.—I cannot say, it would likely be Mr. Smith at the time.

Q.—Mr. Smith introduced you. Now did Mr. Smith tell you that he would go to England with Andy, was Pepall along with him?

A.—I don't think so, not to my recollection.

Q.—Now you swear you don't?

A.—I swear that I don't recollect.

Q.—Could you try and recollect, that was a big amount to discount. Didn't he tell you that Mr. Pepall wanted that money?

A.—Not to my recollection.

Q.—Not to your recollection?

A.—Yes.

Q.—Did you know then Pepall was the man that you were introduced to?

A.—Yes, sir.

Q.—You did, and did you know he was acting for Mr. Smith in a financial capacity?

A.—I know he has acted, I think most probably I did at that time.

Q.—Your recollection might go back?

A.—Yes.

Q.—And that was one of the reasons that induced you to discount that note, because Mr. Pepall wanted that money to carry out some financial matters in the old country, isn't that right?

A.—No, sir.

Q.—How then did you come to do it?

A.—Entirely on my knowledge of Mr. Smith's financial standing.

Q.—Did you have—it must have been an understanding that that money was to be used by Pepall to forward the interests of financial transactions, or was he going to buy cattle with that money?

A.—I didn't know what the note was given for at all or have no recollection of what was said at the time.

Q.—Try and brush up your mind?

A.—I am.

Q.—You know that was what the money was used for?

A.—I don't know what the money was used for.

Q.—You did?

A.—No, sir.

Q.—You said a little while ago you did.

MEMBER: No.

MR. CURRIE: In the first place he said that the ultimate result of it was that he knew the ultimate result of where the money was; now he is denying he did. Did you know what that money was used for afterwards?

A.—No, sir.

Q.—You didn't?

A.—No, sir.

Q.—You didn't know Mr. Pepall went over to the old country for Mr. Smith?

A.—I know. I have knowledge since that he went.

Q.—You have since, but you didn't know that money was required for that purpose did you at that time?

A.—No, sir.

Q.—So if anybody says that was what the money was used for you would not know anything about it?

A.—No, sir.

MR. SINCLAIR: Didn't that money go into the credit in the bank account?

THE CHAIRMAN: Oh, yes, Col. Currie is asking the ultimate—

MR. CURRIE: Where the money ultimately went. The money came back from the Government into the bank with a Government cheque. It was paid with a Government cheque later.

THE CHAIRMAN: That note was paid on what date, Mr. McHattie?
A.—28th of April, 1920.

Q.—Have you looked that up, the means by which it was paid?

A.—Yes, sir.

Q.—How was it paid?

A.—As far as our records show it was a cheque of Mr. Pepall on the Dominion Bank, Toronto.

Q.—Now that would likely come to you with a covering letter of some kind?

A.—I looked up our files but cannot find any letter. I think it most probably was handed to me by Mr. Smith.

Q.—You think Mr. Smith—

A.—Brought in the cheque to me.

Q.—You have looked to see if there was any covering letter?

A.—I did, the only record I can find was this letter from the Dominion Bank with reference to it.

Q.—This is an advice from the Dominion Bank of Toronto, April 27th, 1920, to the Bank of Toronto, Stratford.

I enclose draft for \$6,250, April 26th.

W. P. Pierce, Manager.

That will be Exhibit 174.

Well, you say it was probably handed to you by Mr. Smith, isn't that inconsistent with this notice? This notice says they enclose you cheque for \$6,250 from A. H. Pepall and it is apparently sent from the Dominion Bank, Toronto, that is not consistent with stating that Mr. Smith handed you the cheque.

A.—The note was under discount in the bank and was not due at the time Mr. Smith handed me the cheque I put through for collection, sent it to the Dominion Bank in Toronto and after it was paid, and that is the accompanying letter with the remittance coming back to us and with that remittance.

Q.—Then Mr. Smith handed you in Pepall's cheque and you remitted that to the Dominion Bank, Toronto, for collection and they sent you back a draft in payment of it?

A.—Yes, sir.

Q.—Well, you would have a letter showing that to the Bank of Toronto?

A.—The letter sending it forward to them for collection?

A.—Yes?

A.—I have a record in our bank but I cannot find the letter; we just hurriedly looked Saturday afternoon.

Q.—Well, you can make a note of that, because we would like to follow that up, how the \$6,250 was paid, and any correspondence in connection with it.

Q.—Will you look at a deposit of June 8th, what amount was deposited to Mr. Smith's credit on that day?

A.—\$1,000.

Q.—Is this the deposit slip, it is Exhibit 142?

A.—Yes, sir.

Q.—Whose writing is that in?

A.—That is in the teller's writing.

Q.—Who is the teller?

A.—I think that is Maxwell.

Q.—What is his name?

A.—Maxwell.

Q.—Do you know his first name?

A.—No, I can't just recall; he is out of the service.

Q.—A teller named Maxwell; he was then in your office; now out of the service of the bank. Know where he is now?

A.—Last I heard of him he was in London, Ont.

Q.—Well, that shows—how was the deposit made up?

A.—Two by \$500, total \$1,000.

Q.—Total of \$1,000, two items of \$500 each, which would mean what?

A.—Mean that they were two \$500 bills.

Q.—Necessarily mean legal tender?

A.—Legal tender.

Q.—Have you any recollection of that at all?

A.—No, sir.

Q.—Well, then one on July 29th, following that, that shows a deposit of what?

A.—\$1,500.

Q.—Is this the deposit slip?

A.—Yes, sir.

Q.—Whose writing is that in?

A.—In the writing of C. H. Smith.

Q.—Who is C. H. Smith?

A.—He is the accountant in the office at the time.

Q.—Any relation to the other family?

A.—No, sir.

Q.—Where is he?

A.—Manager of the Bank of Toronto at Feversham.

Q.—What item is there?

A.—Three \$500 bills.

Q.—And does the same remark apply, that it must have been legal tender?

A.—Legal tender.

Q.—It must have been three \$500 Dominion of Canada bills. Then one, December 6th. That is a deposit of \$500, Exhibit 148; that is the deposit slip, isn't it?

A.—Yes, sir.

Q.—And whose writing is that?

A.—Maxwell.

Q.—That is Maxwell's?

A.—Yes, sir.

Q.—And that shows one item of \$500?

A.—Yes, sir.

Q.—Which would necessarily be legal tender?

A.—Legal tender.

Q.—Have you any information as to that at all?

A.—No, sir.

Q.—Well, on April 4th, 1921; this is the deposit slip for that, whose writing is that in?

A.—That is in my writing.

Q.—This shows one item of \$500?

A.—Yes, sir.

Q.—And then an item of \$87.50, \$250, and \$100, do you know what those were?

A.—No, sir, I didn't look them up. The first one would indicate one \$500 legal—down below \$500.

Q.—These are items you haven't looked up?

A.—The others may be cheques.

Q.—Then attached to it apparently, is that your writing too?

A.—Yes, sir.

Q.—April 4th, 1921, received from the Bank of Toronto, Dominion of Canada legal, \$500, Mrs. P. Smith. Now that will probably call your attention to that and revive your recollection. Will you tell us what happened on that day?

A.—I was trying to recall this incident on Saturday and speaking to Mr. Nash and it came to my mind that Mrs. Smith asked for a \$500 bill that had been deposited in either by Mr. Smith in the morning or Mrs. Smith—that I don't know, which one handed me this deposit, and I took this receipt in the meantime until it was replaced by Mr. Smith, I presume by another bill or in some other way; that is the only way I can account.

Q.—Do I understand you then the deposit was made out in the morning and for some reason Mrs. Smith asked for the return of this \$500 and you took her receipt as a voucher?

A.—That is temporarily until it was replaced; apparently it was replaced, or the face of the deposit was changed and there was no debit slip—

Q.—Can you remember that?

A.—I can remember it now after seeing the slip attached.

Q.—Do you remember any reason being given?

A.—No, sir.

MR. BELANGER: What is the amount credited in the ledger sheet?

A.—\$937.50.

Q.—That is \$500 off?

A.—The \$500 apparently was taken off temporarily, that is the only reason I can give for that being attached to it; I took a receipt.

Q.—All the entries of the cash book and ledger would show that \$500?

A.—Our books show \$937.50.

Q.—The whole deposit?

A.—With no reference, just the same as if that had not been attached, that made no difference.

Q.—That \$500 bill was loaned as it were; you loaned it for a while and would take a receipt; it was replaced?

A.—It was put in and then withdrawn later on, no doubt being required for some purpose.

Q.—You say you talked this over with Mr. Nash of Clarkson's?

A.—Yes.

Q.—Have you talked this matter over with Mr. Smith since it has been before the Committee?

A.—No, sir.

Q.—Has Mr. Smith seen you about these matters that have been before the Committee?

A.—No, sir.

Q.—You haven't had any conversation?

A.—Since when?

Q.—Oh, since his name has been up in the Committee?

MR. PRICE: Last couple of weeks.

A.—He asked me for to see a couple of the deposit slips. You see, he was going over his pass books—

Q.—When was that?

A.—That has occurred a couple of times. I think it was on Saturday, one Saturday afternoon he was in, and the following Saturday.

Q.—A week ago?

A.—No, I think that was probably three weeks ago and two weeks ago. I would not state positively, but he came in, telephoned me, and said he wanted to see me and came down in the afternoon, and I got out some deposit slips that he wanted to refresh his memory on.

Q.—Check up?

A.—Checking up, yes; he had his pass book a few days previously and he was checking it to see what they were—

Q.—Any other conversation between you?

A.—With regard to this?

Q.—Yes?

A.—No, sir.

Q.—Anything with regard to his account at all?

A.—No, sir.

Q.—Didn't discuss the question of these legals or anything?

A.—No, sir.

MR. CURRIE: Did he tell you the Government would likely go into that account?

A.—He said in an offhand way, Col. Currie, about three weeks ago that he thought I might likely be subpoenaed.

Q.—That you would have to produce these slips from his account?

A.—He didn't say I would have to produce the slips—that I would likely be subpoenaed.

Q.—Now you don't know anything particularly about that debit slip? Would that be given while somebody went out and turned that legal into some other bank into \$100 bills and came in and gave it to you so that that legal would go through another bank?

A.—I don't know what was done with the legal, Col. Currie.

Q.—You don't know what was done with the legal?

A.—No.

Q.—What did you think of these legals? Did you think they had a printing office down here they were running them off on?

A.—I didn't know where they were coming from, I presume. I had always found Mr. Smith an honourable and upright man and never questioned.

Q.—But you were depositing his salary every little occasion?

A.—Yes, sir.

Q.—And then you were depositing these legals. You must have stood in strong with the Dominion Government to get legals like that all the time to put in the account. Did he say anything to you about that?

A.—No, sir.

Q.—He didn't?

A.—No, sir.

Q.—Did you think yourself anything about it?

MR. DOHERTY: You are not required to say what you thought.

MR. CURRIE: Now leave me alone; what did you say to yourself as a banker about these legals?

MR. SINCLAIR: I desire to give Col. Currie every latitude because it is an assistance to men who are used to asking questions; we learn new stunts, but why he should learn what a man thought—I don't think we should.

MR. CURRIE: Did Mr. Smith give you any explanation of the legals?

A.—No, sir.

Q.—I will put it that way. He didn't?

A.—No, sir.

Q.—Did you ever see any large bank notes of the Home Bank go through to his deposit?

A.—Not to my knowledge.

Q.—You know the Home Bank bills were kind of looked upon, especially the larger ones—what are the largest bills the Home Bank issued?

A.—\$100 bills.

Q.—Oh, well now, is that the largest bills the banks issue?

A.—Yes, sir.

Q.—I thought the Bank of Montreal issued up to \$500?

A.—I don't think so, they may.

Q.—Your bank doesn't issue over \$100?

A.—No, sir.

Q.—That custom of issuing larger ones has gone by; it is left to the Dominion to issue the larger notes?

A.—In legal tender, yes.

Q.—That is, that these bank notes are only good between banks, isn't that right, that currency?

A.—But larger currency.

Q.—Yes, there is a larger currency, that is only good between banks?

A.—Legal tender?

Q.—Yes?

A.—No, sir, a thousand dollar bill—

Q.—I can carry legal tender around and go and hand it to you any time?

A.—Yes, sir.

Q.—And if I asked you for legal tender would you hand it out to me?

A.—No, sir.

Q.—If I go into the Bank of Toronto and ask for legal tender, Stratford, will you give it to me if I ask for \$1,000?

A.—If we had it we would.

Q.—Have you ever had it?

A.—We have had it when they have been deposited.

Q.—When they have been deposited this way.

THE CHAIRMAN: Well, will you look at November 5th, 1921. What do you find deposited?

A.—\$1,000.

Q.—Is this the deposit slip?

A.—Yes, sir.

Q.—Exhibit 150; that is in your handwriting, I think?

A.—Yes, sir.

Q.—What does it show?

A.—It just merely shows a thousand dollars.

Q.—Well, what was the specification?

A.—There is no specification shown there. It must have been omitted at the time; all the deposit slips made out generally have it.

Q.—That is, you neglected to show denominations; but apparently it is one item?

A.—One item, either cheque or cash.

Q.—Have you any recollection of it?

A.—No, sir.

Q.—That is on the savings bank deposits?

A.—It went to the current account, it is on his savings slip.

Q.—Struck out! That went to current account, and you have no recollection of it at all?

A.—No, sir.

Q.—On March 6th, 1922, deposit of—

A.—Yes, sir.

Q.—Exhibit 152; is that in your handwriting?

A.—Yes, sir.

Q.—What does that show? What are the items?

A.—\$1,000, less \$500, initialled for by L. A. Smith, wife of Peter Smith; I don't know what they are.

Q.—Is that Mrs. Smith's initials, that L. A. there in pencil?

A.—Yes, sir.

Q.—Do you remember what this item was?

A.—No, sir; it may have been either a cheque or a legal.

MR. HANEY: These items would be shown in the teller's cash book.

THE CHAIRMAN: We have gone all through that with Mr. Clarkson, Mr. Haney.

Q.—You see in this one you have got—this is only two years ago—you see you have Mrs. Smith's initials on it; I thought you would remember that?

A.—No, I cannot remember it, just whether it is a legal or not.

Q.—Haven't any recollection of it at all?

A.—No, sir.

Q.—Well, then on the 2nd of May of the same year?

A.—Yes, sir.

Q.—That is your handwriting, isn't it, deposit slip, Exhibit 153?

A.—Yes, sir.

Q.—What was the item there?

A.—There is no specification there; it would be either cash or a cheque.

Q.—Well, here are two, one in March and one in May, both in your handwriting; it would be a very extraordinary coincidence if these were cheques for a thousand dollars each?

A.—I think most likely they were legal tender.

Q.—Do you remember that?

A.—No, sir.

Q.—They were legals, were they not?

A.—They were either legals or a cheque.

Q.—He seems to have gone to you on every occasion, except one with Maxwell and one with this other man, and you made these out. You would

remember whether he had; commonly cheques are not for a thousand dollars, or whether they were legals?

A.—He was only one customer and we had other things to remember. I have no recollection.

Q.—One in March of a thousand and one in May of a thousand. And your deposit was not properly made out?

A.—It would indicate from being above the line there, Mr. Finlayson, that it was cash.

Q.—That is what I am trying to get at. If it was a cheque it would have been opposite the word cheque?

A.—It was put in the cash column, it would indicate—but I would not swear that it was.

MR. CURRIE: Just what I was going to ask; there is a place here for cheques?

A.—Yes, sir.

Q.—And it was not in that place. It was in the cash or bills place there?

A.—Yes, sir.

Q.—If it had been a cheque it would have been down by the heading at the bottom of the slip here?

A.—Yes, sir.

Q.—Especially if you made it out?

A.—I make mistakes like the rest of them.

Q.—On the 22nd of June there was a deposit; what have you got, \$1,500?

A.—22nd, \$1,500, yes.

Q.—Now look at this; that is in your handwriting, isn't it?

A.—Yes, sir.

Q.—What did the deposit consist of?

A.—Consisted of two \$1,000 bills.

Q.—That would be legal tender, of course?

A.—Yes, legal tender.

Q.—And what is this?

A.—Less \$500, it would be cash withdrawn at the time and \$1,500 deposited.

Q.—Well, do you remember that?

A.—No, sir, not as being on that date.

Q.—But I don't mean the date, but do you remember generally the occasion when Mr. Smith came in with two \$1,000 bills and gave them to you and made the deposit slip and deducted \$500?

A.—I remember him coming in with \$1,000 bills occasionally.

Q.—But do you remember this deduction of \$500?

A.—No, sir.

Q.—How was it given back to him, what in?

A.—It isn't marked on the back is it? It would likely be in small—

Q.—Do you mean he would hand in to you \$2,000 and you would go out to the teller and get \$500—

A.—In small bills.

Q.—Which would mean you would have to put through the debit slip?

A.—No, sir, it was deducted off the deposit slip.

Q.—You have no recollection of that!

MR. CURRIE: The deposit slip would show he would only be credited with the \$1,500?

A.—Yes, sir.

MR. PRICE: You would not make out that deposit slip unless Mr. Smith came in and handed you those bills?

A.—No, sir.

Q.—That is the point; Mr. Smith came in and handed you the bills and you made the deposit slip out according to the procedure in the bank?

A.—Yes, sir.

Q.—And handed it over to the teller and he put it into Mr. Smith's account?

A.—Yes, sir.

THE CHAIRMAN: Why didn't Mr. Smith hand you in the customary manner his cheque for \$500 and ask you to put it through that way?

A.—That is the customary—

Q.—I know it can be done, but the customary way would be for him to give you a cheque?

A.—Then he would have to put stamps on it.

Q.—Oh, I wondered what it was! He avoided putting stamps on the cheques.

MR. MACBRIEN: Is it customary for depositors to come to you to make their deposits?

A.—Yes, sir, in a great many cases, a lot of them come to me.

Q.—Why don't they go to the ordinary—to the receiving teller?

A.—They do, but in some cases they come to me. Mr. Smith generally was in the habit of coming in on Saturday and coming into my office.

MR. CURRIE: And you were friendly?

A.—Yes, sir.

THE CHAIRMAN: Will you look at September 11th, 1922, same year. What do you find?

A.—\$1,000.

Q.—And is this, 156, is that the deposit slip?

A.—Yes, sir.

Q.—That is in your handwriting?

A.—Yes, sir.

Q.—Which shows one \$1,000 bill clearly enough because you have added a nought to the hundred?

A.—Yes, sir.

Q.—Well, what I don't understand, it says gold \$1,000, what is that?

A.—Oh, that is just the deposit slip extended, it should have a line drawn there. There was only the one \$1,000.

Q.—This entry opposite gold is a mistake?

A.—It is just that amount carried down below the line.

Q.—Do you remember that occasion?

A.—No, sir.

Q.—On December 22nd, 1922?

A.—Yes, sir.

Q.—Deposit of \$500, what date is it entered there?

A.—22nd December.

Q.—Well, whose writing is that?

A.—That is Mr. C. H. Smith, formerly accountant at the office.

Q.—C. H. Smith made this out; the deposit slip is dated 21st, and the entry is dated 22nd, what does that mean?

A.—It might mean that Mr. Smith was in after hours or else the accountant—it could be carried without being included in the cash that night.

Q.—Same item?

A.—Same item.

Q.—It really shows he came in after hours and handed it in after the accountant closed his books?

A.—Either that, or the accountant made a mistake dating it.

Q.—What is this entry?

A.—That is marked rebate.

Q.—Rebate \$2.46?

A.—There must have been a rebate on some loan that Mr. Smith had from us that was paid at that time.

Q.—That didn't go to his credit, that is what I do not understand?

A.—\$2.46? Yes, sir.

Q.—It went to his credit, did it?

A.—Yes, sir.

Q.—You don't know what that is?

A.—It is marked rebate. It is a rebate on something that was discounted by Mr. Smith.

Q.—It had nothing to do with the \$500 item?

A.—No, sir.

Q.—Look at January, 1923, please. Item of \$9,146.96; that is the deposit slip, Exhibit 159?

A.—Yes, sir.

Q.—That is also in your handwriting, isn't it?

A.—Yes, sir.

Q.—That is just a short time ago, and it is an odd amount, you remember that?

A.—Yes, sir.

Q.—What are the facts about that?

A.—That was some bond that Mr. Smith—that deposit is a cheque of J. A. Davidson, manager of the British Mortgage & Loan Co., in Stratford. He was buying some bonds from Mr. Smith, I believe, they were Province of Ontario bonds. I didn't see them.

Q.—Was this a private transaction of Mr. Smith's?

A.—Private transaction.

Q.—He was not selling these as Provincial Treasurer?

A.—Not to my knowledge; a private transaction! I don't know whether he bought bonds at all.

Q.—He sold some bonds to this British Mortgage?

A.—British Mortgage & Loan Co., and this is Mr. Davidson's personal cheque. I got Mr. Davidson's personal cheque from the loan company Saturday and verified it. Mr. Nash didn't make a remark about that, but he saw it.

Q.—You looked it up?

A.—I got the cheque.

Q.—And you know this is a cheque from Mr. Davidson?

A.—A personal cheque signed J. A. Davidson, on the British Mortgage & Loan Co.

MR. CURRIE: Was this Ontario bonds? It might be Victories?

A.—I understand it was Ontario bonds; I didn't see them.

THE CHAIRMAN: Well, on September 15th, an item?

A.—1922.

Q.—1923, \$1,076.14, deposit slip Exhibit 160.

A.—Yes, it is here.

Q.—That is the deposit slip, isn't it?

A.—Yes, sir.

Q.—That is in your writing?

A.—Yes, sir.

Q.—Have you looked that up or do you know what it is?

A.—No, sir.

Q.—I see a small entry down there, \$2.50, what is that?

A.—That would indicate that that was a bond of a thousand dollars that had been sold and \$2.50 commission charged. We charge 25 cents a thousand buying and selling through the bond department.

Q.—What you think, it was a bond of a thousand, with \$78.64 for accrued interest?

A.—Premium; we made our deduction of \$2.50 as the brokerage charges.

Q.—For transfer?

A.—On the selling of the bond.

Q.—Well, do you remember it now?

A.—That could be verified by our records. I don't remember it.

Q.—Three days later on September 18th?

MR. CURRIE: I don't think that is quite clear. Mr. Smith sold to the Bank of Toronto in Stratford a bond. I want to know if that is so?

A.—I did not look up the books on that item.

Q.—You have a bond department?

A.—We have a bond department; it can be verified.

Q.—And it would indicate that Mr. Smith sold a bond to the bond department and was credited with the amount of the bond that they retired?

A.—Yes, sir, through us in Stratford. We would forward it.

Q.—Through you in Stratford?

A.—Yes.

Q.—That was done in your Stratford office?

A.—Yes, sir.

Q.—Then September 18th, what do you find?

A.—Would that be the 29th?

Q.—\$5,365?

A.—Yes.

Q.—On the 29th, yes; the deposit slip Exhibit 161; that is in your writing too?

A.—Yes, sir.

Q.—What does that show?

A.—I looked that up in our books and we forwarded on that day—at least I bought from Mr. Smith on that date \$5,000, 1937 Victory loan bonds, and that is the proceeds of the sale.

Q.—That is the bank took from him?

A.—From him.

Q.—And this is the proceeds?

A.—Yes.

Q.—Do you remember anything about the item?

A.—I remember that, that is just recently and it is a large item.

Q.—Do you remember the occasion or anything about it?

A.—That was at the time Mr. Smith was taking an interest in a business

Glass and Mirrors Limited, at Stratford. He issued a cheque against that Glass & Mirrors for \$5,000.

Q.—That was the proceeds of a \$5,000, Dominion of Canada—

A.—Yes, sir.

Q.—Well, on October 4th, deposit slip, 162, for \$10,148.31, that is also in your writing?

A.—Yes, sir.

Q.—Do you remember that?

A.—Yes, sir.

Q.—What was that?

A.—That was nine \$1,000, 1933, and one \$500 1933 Victory loan bonds that were sold and the proceeds credited to Mr. Smith's account.

Q.—Was that for the same purpose as this glass venture?

A.—Yes, sir.

Q.—Who did he sell them to?

A.—We purchased the bonds.

Q.—You bought them?

A.—Yes, sir.

Q.—And then you charged him a commission for buying them too, did you?

A.—The commission shows on the slip.

Q.—I know, but you bought the bonds from him and also charged him a commission?

A.—Yes, sir.

Q.—That is a funny thing to do?

A.—We give him a price on the bond.

Q.—You said he had his bonds in a safety deposit box there in your bank?

A.—No, sir.

Q.—He didn't?

A.—No, sir.

Q.—Where did he have them?

A.—I don't know.

Q.—He brought them in in his pocket and handed them to you?

A.—He brought them in, I don't know where he had them, in his pocket or not. He brought them into the office.

Q.—And handed them to you?

A.—Yes, sir.

Q.—What instructions did he give you; did he ask you to sell them for him?

A.—Yes, sir.

Q.—And you reported to him you sold them?

A.—We put the proceeds to his credit.

Q.—Did you tell him you had sold them or did you tell him you would buy them yourselves?

A.—We bought them in our bond department.

Q.—Did you tell him you had sold the bonds for him or did you tell him you would purchase?

A.—We told him we would purchase them for him and put them in his credit.

Q.—Well, what did you want to charge him a commission, selling them to him?

A.—There is a buying and selling commission.

MR. CURRIE: Oh, not necessary, that is just a mild form of graft that the

bank establishes. Any broker if he bought bonds from Mr. Smith, he would not also charge him a commission for buying them. You see how it is, but you are charging a man commission for them, that is what I want to know?

A.—Charging Mr. Smith.

Q.—Did you tell him at the time you were just buying them for the bank?

A.—We charged commission. There is certain rates. These bonds are listed each day at a certain price.

Q.—I know.

A.—And if we buy a \$100 bond from a man we will charge him a commission of 25 cents as a minimum charge.

Q.—You will?

A.—Yes.

Q.—When you are buying them for your own account?

A.—It doesn't matter; we have to sell them again.

Q.—That is new dealing to me!

Q.—Look at that; that is the second sheet of Exhibit 173, put in by Mr. Nash, Clarkson's statement. I don't want to take very much time over it. But it shows several items in 1920, 1921, 1922 and 1923, for apparently interest on coupons credited to Mr. Smith's account?

A.—Yes, sir.

Q.—Now what information can you give us as to these?

A.—As to what coupons they were?

Q.—Yes? Did Mr. Smith have these deposited with you?

A.—The bonds?

Q.—Yes?

A.—No, sir. There may have been some of them. He had probably a couple of thousand dollars hypothecated to the bank.

Q.—As security?

A.—As security, you see, and some of the interest on those may be included in these amounts.

Q.—But these large items. There is eighteen twenty-seven, apparently due in the end of June and then smaller amounts for the fall payments, that is the half-yearly payment on the same amount of bonds, some \$60,000 odd dollars worth?

A.—Yes, sir.

Q.—Do you know anything about that item?

A.—Those were coupons taken off Province of Saskatchewan bonds.

MR. CURRIE: What is that?

A.—Province of Saskatchewan bonds.

THE CHAIRMAN: Then they would be a 6 per cent. security or something like, that, do you remember?

A.—I don't remember; they would probably be 6 per cent.

Q.—Were they clipped off in the office there?

A.—They were brought in to the office and deposited, handed to me. noticed one of these slips was made out by myself and the other by the accountant.

Q.—They represent the coupons of some province—Saskatchewan?

A.—Yes.

Q.—Do you know anything about transactions, how Mr. Smith got them?

A.—No, sir.

Q.—Don't know anything about them?

A.—No, sir.

Q.—Do you know anything about these other items?

A.—These are the only two that I can recall what the coupons are, because I looked them up.

Q.—You don't know anything about any of the other items in this second sheet?

A.—No, sir. They are likely items of some kind on others.

MR. CURRIE: There is one of these coupons marked New York funds, would the Saskatchewan bonds be payable in New York?

A.—They were not sent to New York.

Q.—Well, there is a credit there of New York funds?

A.—That would be others, other coupons, that I have no knowledge of what they were.

Q.—Wouldn't it be Victories, they are payable in New York?

A.—Some Victories—not Victories but war loans.

Q.—So that if the coupons were war loan coupons you would take them and credit them as New York funds. Do you remember anything about the transaction at all?

A.—There is apparently New York premium added on to some of these deposits which would indicate that the deposits were made up of New York funds.

Q.—How did you remember that was Saskatchewan bonds, when you remember about the Saskatchewan bonds you don't remember about anything else?

A.—Because I looked them up.

Q.—At the time?

A.—I looked them up on Saturday.

Q.—To see that the coupons were all right?

A.—Yes, Mr. Nash when he left asked me if I would pay special attention to look that up to find out if there was any record. It is quite a job to go back and find all these things and we didn't have time when he was there so I looked them up and found that.

MR. BELANGER: At the end of May we were told by Mr. Nash there was a cheque issued by Mr. Smith, \$2,000, and another in early June for \$600, would you know anything about this?

A.—Issued?

Q.—Issued by Mr. Smith; couldn't you see if that is in your ledger sheets?

THE CHAIRMAN: What year?

MR. BELANGER: 1923, end of May, first of June.

A.—There is a \$2,000 item there, it looks like as if it may be a note which is charged up because proceeds of a note of \$2,000 was put to credit same date, that may have been a renewal. There is \$600 on the 1st of June. That may be the item. I haven't the cheques. The cheques have been issued to the customers.

Q.—He got all his vouchers?

A.—As far as I know he got them all.

MR. CURRIE: You knew quite a lot about Mr. Smith's business around Stratford, didn't you?

A.—His banking business.

Q.—It would not be transactions in cattle that he would be carrying on when he had legals like that, would it?

A.—No, sir.

Q.—It has been suggested by some of the papers that these amounts would be amounts that would be payable to Mr. Smith for carloads of cattle and that sort of thing. Do you know if he ever got paid in legals for carloads of cattle?

A.—Not to my knowledge.

Q.—It is not likely?

A.—No, sir.

MR. PRICE: There is an item in your ledger for the proceeds of the sale, of Mr. Smith's sale, of his cattle?

A.—Yes, before, I might be able to pick them out.

Q.—How much was that, I just wanted to get that—

THE CHAIRMAN: December 19th, item?

A.—\$6,041.50. It looks to me as if—I think the deposit slip probably shows it was the proceeds of sale, that is cash that came in, not in the notes.

MR. CURRIE: That deposit slip doesn't show any thousand dollar bills?

A.—No, sir, they are all made up of cheques.

Q.—I thought the farmers up there might have thousand dollar bills.

THE CHAIRMAN: You said his vouchers have been given back to him?

A.—Yes, sir.

Q.—That would not include savings?

A.—In special cases we do, and we looked to see if we could find these on Saturday and apparently they have been given back by some person in the office. This was more of a continuation of his current account.

Q.—Banks don't give savings vouchers back?

A.—I have in some cases of special request and take a receipt.

Q.—That was done?

A.—Apparently it was, because we could not find the vouchers and these are all checked off as if they had been taken back.

MR. CURRIE: You don't know if any of this money was applied to campaign funds, do you, Mr. McHattie?

A.—No, sir.

MR. DOHERTY: That is, Conservative campaign funds.

MR. CURRIE: None of that went to the Conservative campaign funds?

A.—Not to my knowledge.

HON. MR. PRICE: Mr. Chairman, the hour has gotten quite late, but as Mr. Smith is in the room, and this evidence this morning given by the two witnesses that we have heard from is so very serious I think we should give Mr. Smith an opportunity of even making a short statement and denying some of the evidence and then continuing with him probably to-morrow. I would like, therefore, to ask Mr. Smith to either give evidence or make a statement if he feels like it.

HON. P. SMITH: In view of the statements and evidence that has been given here this morning, and in view of information I have had given to me, that proceedings are about to be taken against me, I refuse to give evidence before this Committee, on advice.

THE CHAIRMAN: I understand, Mr. Smith, you refuse to take the oath or give any evidence before the Committee?

MR. SMITH? Yes, sir.

MR. PRICE: Is that on the advice of your counsel, Mr. Smith?

MR. SMITH: Yes.

MR. PRICE: Well, then, Mr. Chairman, as Mr. Smith apparently refuses

to give evidence before the Committee, I think there is only one thing that can be done. The officers of the crown will have to take cognizance of the situation and it will pass out of the hands of the Committee into the hands of the crown, but I would like to feel that Mr. Smith has been given a fair opportunity to appear before the Committee and give any evidence or make any statement he desires.

MR. SMITH: Thanks!

MR. DOHERTY: May I say here, Mr. Chairman, that in the proceedings of this Committee up to the present I have been directing any efforts of mine toward bringing out all information, which would make it possible for Mr. Smith to come before this Committee and make a statement or give evidence. It was not until this morning that I was aware that Mr. Smith had been advised by his counsel not to give evidence. My activities in this Committee have been only along the line of bringing out such facts as would make it possible for Mr. Smith to give evidence.

MR. SMITH: Might I say that I came this morning prepared to give evidence, but that having been informed of what has taken place and having heard the evidence given here I decided on the advice of my solicitor not to give any evidence this morning.

THE CHAIRMAN: I quite understand that.

MR. PRICE: I think we should report these proceedings as far as they have gone to the House so that the House will be cognizant of the situation, probably this afternoon, probably the Chairman could do that. It should take probably two or three days to get through with the rest of the evidence that should be placed before the Committee. I am hoping that we could meet all day to-morrow and the following day and that all the witnesses who have been asked to appear before the Committee can be heard. If it takes longer of course we will have to sit longer.

MR. CURRIE: That is to say you are going to continue this inquiry until it is finished?

MR. PRICE: That is right.

MR. CURRIE: You will make an interim report to the House, that is.

THE CHAIRMAN: Then is it the pleasure of the Committee that I prepare an interim report to the House on what has occurred this morning?

Carried.

Moved by Mr. Currie, seconded by Mr. Rankin.

The Committee then adjourned until the next morning, April 15th, at 10 a.m.

PUBLIC ACCOUNTS COMMITTEE

Proceedings before the Public Accounts Committee, sitting in the Reception Room, Parliament Buildings, Toronto, 15th day of April, 1924, at 10.00 in the forenoon.

MR. FINLAYSON, Chairman.

MR. SINCLAIR: Probably before we come to the taking of evidence we can come to some understanding as to some witnesses whom I wish to have come here. There is another one as to whom I would like to make a motion to have called, seconded by Mr. Fisher, that Mr. J. C. Whittaker be summoned to appear before this Committee. Mr. Whittaker was a witness here, but I take it we will have to summon him again.

(The motion having been put by the chairman was carried and was so declared.)

MR. SINCLAIR: There was a motion that Mr. Doherty put in, to have Mr. Haney here.

HON. MR. PRICE: Mr. Haney is being subpoenaed for to-morrow.

MR. SINCLAIR: And the others will be taken care of for to-morrow.

HON. MR. PRICE: Subpoenas have gone out. What time do you want Mr. McGarry here?

MR. SINCLAIR: It would not make much difference, if we knew how long we would be with the other witnesses. It would be all right to have him here right after lunch to-morrow. I do not want information which I should not know, but there is work which will take up most of to-day.

THE CHAIRMAN: Yes.

MR. SINCLAIR: I think that arrangement would be all right, and if Mr. McGarry could be here right after lunch to-morrow, as he is pretty busy, it might be convenient.

THE CHAIRMAN: There is one thing which I might mention before we go on. The Clerk of Committees has drawn my attention to the fact that sending out notices and putting them on members' desks in the House will not be of much use from now on. If members will try to keep track of the time we adjourn to.

MR. SINCLAIR: Your intention is to sit this evening, if necessary.

HON. MR. PRICE: From 10 to 1 and from 3 to 6 o'clock, I think. That is six hours.

MR. SINCLAIR: And the same to-morrow—that is long enough, I think.

THE CHAIRMAN: It will give an interval at lunch time, allowing some chance of preparation for witnesses. As the Committee will understand, there is a lot of preliminary work which has to be done.

Mr. W. R. Fleming, sworn.

HON. MR. PRICE: Mr. Fleming, what position did you occupy in the Home Bank?

A.—Manager of the bond department.

Q.—How long did you hold that position?

A.—From May 1st, 1919, to November, 1920.

Q.—May 1st, what year?

A.—1919, until November 1st, 1920.

Q.—Who preceded you there as manager of the bond department?

A.—I started the Bond Department as an active bond department.

Q.—The Home Bank did not have a bond department before that time?

A.—Except the Victory Loan department.

Q.—Did you handle the Victory Loan department?

A.—Yes, subsequently.

Q.—Subsequently, in 1919?

A.—Yes.

Q.—And were you with the Home Bank until it went into liquidation?

A.—No.

Q.—I did not just get the time that you said you left the Home Bank?

A.—November 1st, 1920. Though indirectly, I might say, that while I discontinued my services actively on November 1st, 1920, I was still indirectly

connected with the Home Bank until they had appointed my successor; so that I was in touch with it for some time after that.

Q.—Who was your successor there?

A.—Mr. Ross.

Q.—Mr. Ross who gave evidence before this Committee?

A.—Yes.

Q.—Was Mr. Ross in the department before he became the manager of it?

A.—Yes. I engaged him when I opened up the department.

Q.—How long was he with you?

A.—I do not know when he left the bank. He was there when I left, of course.

Q.—Now, just what was your routine work in the bond department?

A.—Particularly to handle the sale of any securities of the bank, or through the bank, either directly for the bank or for outside customers or clients.

Q.—Would that be Government securities?

A.—Government securities.

Q.—And other securities?

A.—And other securities.

Q.—Then from whom would you get instructions for carrying on the Bond department?

A.—From the general manager.

Q.—Were you under the head office?

A.—Yes, directly under the general manager.

Q.—In the Home Bank at the head office there was a Toronto Branch, under Mr. Calvert, which operated independently as a branch?

A.—Yes.

Q.—And I suppose it received its instructions from the head office the same as other branches?

A.—I imagine so.

Q.—Then there was the bond department, over which you presided, and you received your instructions from Colonel Mason?

A.—Directly from the general manager.

Q.—And any action that you took in connection with the sale of bonds or the carrying on of the work in the department would be under the instructions of Colonel Mason?

A.—Directly from the general manager.

Q.—Do you recollect the loan of \$4,000,000 which was sold by the Province of Ontario during the time Mr. McGarry was Provincial Treasurer?

A.—That was the \$4,000,000 ten-year bond issue, in September, 1919, I believe it was. I remember that issue.

Q.—As a \$4,000,000 loan?

A.—\$4,000,000 5½ per cent. ten-year bond issue.

Q.—Did you have anything to do with the purchase of that issue for the bank?

A.—Not with the purchase of the issue.

Q.—Who conducted negotiations for the purchase?

A.—So far as I know, the general manager. The general manager advised me that the bank had purchased the bonds.

Q.—And then what instructions did you get from the general manager as to the bonds?

A.—My instructions were entirely in connection with the sale of the bonds. Our department was responsible for the disposition of the bonds.

Q.—You knew that the Home Bank had purchased this bond issue, and it was turned over to the bond department to sell?

A.—Yes, sir.

Q.—Then what attempt did you make to sell it—that was in September 1919?

A.—There was no attempt made at that time. The first time, so far as my memory serves me, was during the Victory Loan campaign—the Dominion of Canada Victory Loan campaign.

Q.—Why did you not make an attempt to sell it right away?

A.—The matter was not taken up with the Bond Department. If I remember correctly, the bonds were to be actually taken up by the end of October and it was about that time that the general manager spoke to me about the sale of them.

Q.—The general manager spoke to you about the sale of them around October 31st, and then you were given instructions to sell the bonds?

A.—To sell the bonds.

Q.—Then tell us what steps you took to sell the bonds?

A.—At that time all bond houses were precluded from doing business in Canada, either buying or selling, so that the only market open was the United States.

Q.—Why were they precluded?

A.—We were under an agreement with the department at Ottawa, the Finance Department, not to buy or sell securities during a certain time before the campaign opened, before the Victory Loan campaign opened. It was to keep the market in a fair state for the reception of the Victory Loan bonds. And that date, I think, was from some time in September until the end of the Victory Loan campaign which was November 15th. So that during that period we could not negotiate in Canada. So I opened negotiations in Chicago.

Q.—What was the date of your opening negotiations in Chicago?

A.—I believe it was in November.

Q.—How did you open negotiations?

A.—I got in touch either by letter or wire with one or two of the Chicago houses; that is, one of them would be the First Trust and Savings Bank, and the Continental Commercial.

Q.—Those are two banks and bond houses in Chicago?

A.—They at the time were working more or less together on Canadian issues, and I got into touch with these houses, either one or both of them; and eventually made a trip to Chicago.

Q.—What was the result of your attempt to sell the bonds in Chicago?

A.—We were unsuccessful in making a deal except it would probably have been at a loss to the bank. At the time that I went to Chicago, if my memory serves me correctly, American funds were at a premium of about $1\frac{1}{2}$ to 2 per cent., except the day that I arrived at Chicago, the first day, the funds were fluctuating and they jumped to 4 per cent. that day, the first time they had gone that high. But American houses were not prepared to do business except on a basis of about 92, that would be in American funds; and they intimate at that time that they would not figure on funds remaining at anything like 4 per cent.

Q.—Would that have meant a loss to you?

A.—It would have meant either a slight loss or no profit. I forget just how it figured out, but it was not attractive from a banking standpoint.

Q.—Did you report this to your general manager?

A.—I brought back a definite offer signed by the various houses there I was negotiating with, to the bank; but it was not accepted.

Q.—Did that definite offer go on the file?

A.—It should be on the files. It was signed by, I think, six different banks in Chicago.

Q.—Will you take a note and see if that can be got?

A.—It should be in the bond department's files.

Q.—Can you give me the names—just until we get the offer—of the bond houses or banks which made that offer?

A.—The Continental and Commercial, the First Trust Savings, Harris Trust, Merchants Loan—I may not have these titles exactly accurate—the Merchants Loan and Trust, and the Illinois Trust and Savings. And there may have been another.

Q.—Well, than, the bank refused this offer?

A.—The bank refused the offer. I wired, after submitting the offer to the general manager, a refusal to Chicago turning down their offer. I might say that there were several strings attached to this offer. As a matter of fact it was not a clear-cut offer to purchase. As I remember, it was on an optional basis. I do not remember the details, but it was not a clear-cut offer to purchase.

Q.—It was not a clear-cut offer, it had some conditions to it?

A.—It had some conditions attached to it.

Q.—In any event, the bank did not think it was attractive enough to sell?

A.—No.

Q.—A very slight gain?

A.—Yes.

Q.—Then were you more than once in Chicago to sell this loan?

A.—No, I made the one trip. I was there a good part of a week at that time.

Q.—What were your instructions from the general manager about the sale?

A.—To use every effort possible to complete a transaction. He was particularly keen on turning these bonds into cash, because he had an obligation to the Province to pay for the bonds, I understand, at a certain date, October 1st I think it was. We had not been successful, and I believe the bank negotiated a loan to carry it over in the meantime.

Q.—A loan of how much?

A.—I could not say. We had nothing to do with that end of it.

Q.—In the meantime, not having been able to sell these bonds at a profit, you could have sold them probably at a slight profit, the bank negotiated a loan to carry an advance to the Province?

A.—Yes.

Q.—Where was that loan negotiated?

A.—I think it was negotiated in New York.

Q.—We will just turn to the files and see. On November 20th, a loan in New York, \$850,000. That loan was paid back on the 3rd December, when eventually your loan was sold?

A.—When the bonds were delivered.

Q.—Exchange being \$40,120, and the return of exchange being \$43,350. When did you make any further attempts to sell this loan?

A.—Not in the United States. In Canada we were approached shortly after the Victory Loan campaign was over, and at a time when the bond dealers were then permitted to do business; I was approached by one of the Toronto houses who understood we had these bonds for sale; and it resulted in a final disposition of the entire issue.

Q.—What Toronto house?

A.—The Dominion Securities Corporation.

Q.—And eventually you made a sale to the Dominion Securities Corporation?

A.—To a syndicate composed of the Dominion Securities, Ames, and Wood, Gundy.

Q.—At what price was that sale made—did you negotiate the sale?

A.—I negotiated the sale, yes, except that at the last conference the final deal was closed in the general manager's office. The syndicate came back with a compromise offer and we went up to the general manager's office to discuss the acceptance of the bid, and as I remember it it was either 96.75 or 96.85. I carried it in my mind that it was 96.75, but I notice in the press it was given as 96.85. I do not know which is correct.

Q.—Then you did make a handsome profit on this loan?

A.—Yes, we made a good sale eventually. Of course at that time American funds were at a fair premium as compared with the time these bonds were purchased.

Q.—The Committee would like to know why it was that when this bond issue was sold you apparently were unable to make a profit on it, and then within two months and a half you made a big profit. Can you tell the Committee that?

A.—Well, I believe the governing factor there was the situation in regard to New York funds. These bonds were payable in both the United States and Canada, and with New York funds at a much higher level, the bonds could be sold at a much better price, controlled entirely by the position of New York funds at the time.

Q.—Well, you would have thought, and I think the public generally feel that when there has been a big drive like the Victory Loan campaign, funds are exhausted and the rate drops. Is that so?

A.—Yes. I believe these bonds—I do not know to what extent—or the majority, would be sold across the line and be payable in New York funds. That is why the premium on New York funds was a big factor.

Q.—Supposing you were holding this and you had to borrow money to advance to the Province so that they could handle some things in New York supposing you had to sell at a loss, what was your attitude and what was the attitude of the general manager?

A.—The attitude of the general manager at the time I was in Chicago was really to sell the bonds, even without a profit, providing it was a clear-cut sale and I believe we would have sold the bonds at that time had there not been strings on this offer which was made; because it did not look as if the bank was going to be able to sell the bonds at a profit at that time.

Q.—Then what was the profit that the bank made out of that transaction?

A.—The purchase price, I believe, was 94.48, and the sale price 96.75 or 96.85. That would mean a gross profit of $2\frac{1}{4}$ points.

Q.— $2\frac{1}{4}$ points would be over \$90,000?

A.—Yes, between \$90,000 and \$100,000.

Q.—That is on a ten-year loan?

A.—Yes.

Q.—I would point out to the Committee, so that there would be no confusion, that there is a difference quite in selling a treasury bill for a year or for six or eight months, naturally the profit is considerably smaller on that transaction; but when you put out a ten-year or a twenty-year loan the amount charged by the brokers is considerably larger, so that you cannot compare those two items, no matter who it was put them through. Then you made around \$90,000 independent of the syndicate who sold them,—they sold them to the public and made a profit?

A.—Yes, I believe they sold them around 98.

Q.—Well, what profit would they make?

A.—They would make approximately $1\frac{1}{4}$ points or a little over.

Q.—About \$50,000, say, for selling?

A.—Yes, \$50,000 or \$60,000 at least.

Q.—Then this money came in as a profit on the bond transaction?

A.—Yes.

Q.—Did \$90,000, we are just speaking in round figures, come in as a profit?

A.—Yes.

Q.—Now, what instructions did you get as to how that profit was to be disposed of?

A.—As I remember it, in the first instance the general manager said we would be entitled to approximately a profit of either one or one and a quarter per cent., I am not sure which. At that time it was my inference that he was referring directly to the bond department, because we were operating as a separate concern entirely from the bank,—we were operating the same as an outside house.

Q.—The general manager said to you that the bond department would be entitled to $1\frac{1}{4}$ per cent.?

A.—I do not know whether he said the bond department, but he said you will be entitled.

Q.—And you were the head of the bond department?

A.—Yes, if the bonds were sold at a profit which provided for that.

Q.—Then go ahead and tell how this \$90,000 or \$95,000, whatever it was, was figured up?

A.—Subsequently we were instructed to credit head office through a debit slip with an amount which I believe was something over \$40,000.

Q.—That amount was \$42,000?

A.—That, I believe, left us with approximately the one per cent. profit.

Q.—That left you with \$46,142.20?

A.—That is the exact amount. And it later developed, according to the general manager, that it was his intention to refund a certain amount to the department in connection with this bond issue.

Q.—To refund to the Province, do you mean?

A.—To the Province, yes; and we were instructed—

Q.—Was that after the \$42,000 was transferred to head office?

A.—I believe it was at the time that the debit slip was made that this statement was made by the general manager of what the intention was. It may have been an explanation of this division to the department, which, according to my memory, was the case. And then subsequent to that he instructed the department to issue a cheque to the Provincial Treasurer for \$15,000; and that was also turned over to the head office, the same as the debit slip.

Q.—That was the \$15,000 item?

A.—Yes. According to my memory I thought they were both debit slips, until Mr. Clarkson showed me this stub; and then I remembered that one was in the form of a cheque and the other in the form of a debit slip.

Q.—Let us get that clear now. The \$42,000 is an item here in Mr. Clarkson's statement, which first shows the \$15,000, December 13th, Provincial Treasurer, rebate re \$4,000,000 bonds. Then apparently on the 19th, Home Bank, Toronto \$42,000. These are taken from entries in your books?

A.—I was under the impression that the large entry went through first. I was not sure of that, but that was my impression.

Q.—This is taken from the entries—Mr. Clarkson has given us that?

A.—This is taken from the books of the bond department.

Q.—However, we can be clear on that and can get further information on it. Then the \$42,400 item went through in the form of a debit slip?

A.—Yes.

Q.—A debit slip charging your department?

A.—And crediting head office.

Q.—Would that be the debit slip, December 19th?

A.—Yes, that would be the debit slip, \$43,350.

Q.—There must be something else with that?

A.—Interest on the loan—apparently they charged the bond department with the interest on the loan which was carried in New York.

Q.—So that, referring to Exhibit 82, which is dated the 19th December, 1919, \$43,350, includes an item of \$1,538.33, which is a debit charge on interest to the bond department?

A.—To the bond department.

Q.—And that leaves this item of \$42,400?

A.—No, I would say that the second debit is in addition to the first debit; both debiting the bond department. The amount should be these together, I would say.

Q.—How is it that this is \$43,350?

A.—Does that not agree with the amount charged?

Q.—The amount here is \$42,400. Probably Mr. Nash might tell us.

MR. NASH: This is an item of exchange. This is a different item.

HON. MR. PRICE: We have got the wrong item and we are referring to the wrong exhibit. Exhibit No. 87 shows, on December 19th, a transfer to J. Cooper Mason. What is that S.C. account?

A.—I do not know anything about this. I do not know anything about the deposit slip. I have never seen that before.

Q.—That is a deposit slip of \$42,400, and it shows the various payments out, like \$25,000 item, and \$12,000, \$2,000, \$1,000, and \$100. Did you know anything about this slip?

A.—No, I have never seen that.

Q.—This was apparently a credit to the head office on S.C. account of the general manager. Then we have a debit suspense account, current account \$42,400?

A.—Yes.

Q.—That is Mr. Calvert's signature, is it not?

A.—Those are Mr. Calvert's initials.

Q.—Showing how that went through, but it appears that these went through on December 20th. Is that right?

A.—That is right. But neither of these refer to the bond department. There must be another slip from the bond department.

Q.—Here is still a further slip. Has that got anything to do with your department?

A.—It looks as if it had some reference to the bond department, because it has got the bond department stamp on it and it looks like Mockford's writing. I am not sure.

Q.—So that is the suspense account, deposited by whom?

A.—It looks like "M" for Mockford.

Q.—On the 19th December, what is that—the bond teller?

A.—No, third teller, receiving teller.

Q.—And stamped "bond department"?

A.—So that apparently it originated from the bond department.

Q.—And it shows this transfer of \$42,400 from the bond department?

A.—To the head office.

Q.—Suspense account, on the 19th December?

A.—Yes.

Q.—You are quite clear on that?

A.—Yes.

Q.—Now then, on the 19th December apparently this transfer was made, but there are a number of cheques on this head office account of Colonel Mason's. Do you know anything about the cheques made by Colonel Mason on this account?

A.—No, I do not.

Q.—Would they come into the business of the bond department?

A.—No, they would have no connection with the bond department.

Q.—A cheque here of January 25th, 1919, of \$1,800, and one of September 4th. Do you know anything about that cheque?

A.—No.

Q.—That cheque to the Central Canada Loan Company for \$1,800?

A.—No, I do not.

Q.—There is one of September 4th, 1919, do you know anything about that? That is to cash. Did you have anything to do with the drawing of that?

A.—No.

Q.—Do you know where the money went?

A.—No, I never saw it, and know nothing of it.

Q.—Then on September 12th, 1919, there is a \$12,000 cheque. Do you know anything about that cheque?

A.—No, I do not.

Q.—Did you have anything to do with it?

A.—I had nothing to do with it.

Q.—Do you know where the money went?

A.—No, I have not any idea.

Q.—That is drawn to self—that would be Colonel Mason?

A.—Yes.

Q.—And charged up to S.C. account?

A.—Yes.

Q.—Would there be any doubt about what S.C. account meant, or do you know?

A.—I really do not know, because I had no connection with the bank and am not even familiar with the terms for accounts.

Q.—Then on September 23rd, 1919, there was a payment of \$25,000, drawn to cash, and on the same account, by Colonel Mason. Do you know anything about that cheque?

A.—No, I do not.

Q.—Did you have anything to do with the drawing of it?

A.—No, I had no connection with it.

Q.—Were you consulted about it?

A.—No, in no way.

Q.—Do you know where the money went?

A.—I have not any idea.

Q.—Here is another one dated October 15th, 1919, to self \$1,000. Do you know anything about that?

A.—I know nothing about that.

Q.—What you have said about the other cheques there would apply to the \$1,000 cheque?

A.—To that cheque, or in fact to any cheque issued by Colonel Mason. I have no connection with them.

Q.—Let us be clear on this thing, that the \$42,400 that you checked up to the head office apparently went into a special account of Colonel Mason's and he drew out these cheques on it apparently himself, and the bond department had nothing to do with it?

A.—Had nothing to do with it, no.

Q.—Apparently, on the 15th December, four or five days prior to this, there was a cheque to the Provincial Treasurer, rebate, \$4,000,000 bond, \$15,000, and we produce the stub with various stubs from September 17th, 1919, until January 19th, 1920. Can you identify this Exhibit No. 85 and tell us what that is?

A.—This represents the stub of a cheque book of the bond department for the period September 17th, 1919, to January 19th, 1920.

Q.—Is it the stubs of the cheque book or of one of the cheque books of the bond department over which you presided at that time?

A.—That is right, sir.

Q.—Did you have a supervision of the drawing of cheques at that time?

A.—I did.

Q.—Cheques would be drawn on your instructions?

A.—On my instructions, except outside of our regular business any special cheques would be drawn under instructions of the general manager, which would either come through me directly or probably to the accountant if I were not there. Generally speaking all instructions would come through me.

Q.—Who was the accountant?

A.—Mr. Mockford.

Q.—Who was the accountant in the bond department?

A.—Yes.

Q.—What was Mr. Ross' position at that time?

A.—He was assistant. He came in as a stenographer and I believe at this time we had another stenographer engaged, and Mr. Ross was just assistant to Mr. Mockford.

Q.—In looking at the stubs in this cheque book produced and marked Exhibit 85, what was your custom in making out cheques, so far as cheques and stubs were concerned? Take any of them there and tell us what was your

custom, with reference to keeping a record? If the cheque went away for awhile, you kept a record of it in your stub?

A.—The regular custom would be to make out the stub exactly as the cheque would be made out, excepting that the stub would give the details showing what the cheque was issued for.

Q.—Then are all your cheques made out to give that information?

A.—Yes, that is the intention.

Q.—Here is one, 319, of November 26th, 1919, Mail and Empire, one year's subscription from November 27th, \$5?

A.—Yes, that was the nature of the details.

Q.—Here was one, A.C.—I will not give the name—1,000 City of Toronto, 1935-1938, 5 per cent.—

A.—That is the information we would want for our bookkeeping purposes.

Q.—Then, was there any exception made, do you think, in the cheque of December 15th, 1919?

A.—I would not think so. As my memory serves me, the cheque was issued, this stub shows the instructions given by the general manager to issue a cheque. I do not know whether he stated to the Provincial Treasurer or to the Hon. Peter Smith, but I see both were put in, \$15,000, and to charge it on the profits on the \$4,000,000 issue; and evidently at the time that it was in the form of a refund.

Q.—As refund to the Province?

A.—A refund to the Province.

Q.—You received the instructions from the general manager—you are talking about something that he told you?

A.—I think so. I think they came to me.

Q.—They came to you direct?

A.—Direct.

Q.—And you recollect then that this \$15,000 was a rebate to the Province?

A.—That was our understanding of it.

Q.—That was your instructions?

A.—Those were our instructions, quite explicit.

Q.—And on that account this \$15,000 should have gone back into the coffers of the Province?

A.—Undoubtedly.

Q.—There is no doubt about that in your mind?

A.—Not in our minds.

Q.—Then there is a considerable distinction between the \$42,400 and the \$15,000?

A.—Apparently, and particularly by the process—one went direct to the head office under instructions, and the other went presumably direct to the Province by cheque.

Q.—Now, having drawn this cheque—did you give instructions for the drawing of this cheque?

A.—I could not say definitely, but I would imagine that I did, if I were there at the time.

Q.—That is your recollection now?

A.—That would be my recollection, in the natural course of our business, I would.

Q.—Now, apparently when the cheque was drawn—when I say your

recollection, do you remember when the cheque was drawn, that you had the cheque then?

A.—I do not remember. As a matter of fact I did not remember until I saw this stub that the cheque had actually been issued in that form. I was under the impression that we had issued two debit slips to the head office, one for \$42,000 odd and the other for \$15,000 until I saw this stub and it recalls to my mind that it was a cheque. My memory on it was not apparently what it should have been.

Q.—You apparently did not have knowledge that they were on the different dates that they show here?

A.—No. As a matter of fact I thought the large one came first.

Q.—And it came second according to the debit slips of the bond department?

A.—Yes, that is right.

Q.—Then can you tell us what happened to this \$15,000?

A.—It was sent up to the head office.

Q.—Did you take it up?

A.—I do not remember whether I took it up or Mr. Mockford or Mr. Ross, or some one in our department took it up to the head office.

Q.—Why was it sent up to the head office?

A.—Under instructions from the general manager to have the cheque issued in that form and to deliver it to him.

Q.—And you say that that was done, that the \$15,000 cheque was issued in that form on the instructions of the general manager and delivered to the general manager by the bond department?

A.—Yes, by the bond department.

Q.—Is there anything to show on what date it was delivered?

A.—I think it was delivered on the same day it was made out. In fact I am pretty sure it was issued and taken right upstairs.

MR. NESBITT: Mr. Price, am I to understand that the \$15,000 was paid before the \$42,400?

HON. MR. PRICE: Yes. The \$42,400 the witness has sworn and the debit slips show and Mr. Clarkson's statement shows was transferred to the S.C. account, to the credit of the Home Bank head office, General Mason's account, on the 19th December. It was a debit slip, not a cheque, and debited the bond department, and at the same time credited General Mason's account in the head office, the bond department being directly under the supervision of the head office and following the instructions of the general manager. The \$15,000 cheque, according to the date here on the stub, was drawn December 15th and the records show that it was December 15th, four days prior to that; and according to the witness was on the instructions of the general manager drawn out in this way as a rebate to the Province and sent up to the head office, to the general manager. The witness does not know whether he took it up or someone else, but his instructions were to send it up and he did send it up.

Q.—Now do you know anything about the cashing of this?

MR. CLARKE: Is that the same thing which he thought the cash was sent up?

HON. MR. PRICE: The cheque was sent up to the head office.

MR. CLARKE: I thought it was the cash.

HON. MR. PRICE: No, it was the cheque was sent to the head office. Could you tell whether this cheque was made out to order or to bearer?

A.—I could not state definitely now, but I imagine it would be made out in the regular way, which would be to the order of the Provincial Treasurer.

Q.—Then, if it was made out to the order of the Provincial Treasurer, it would have to be endorsed?

A.—In order to be cashed it would have to be endorsed by him.

Q.—Just wait for a minute. Do you recollect this cheque coming back—did you see it after it came back to the bond department?

A.—No, I would not have occasion to see it. The cheques all came back either to Mockford or to Ross and would be checked against the records. I would not see any of the returned cheques.

Q.—What was your system in filing these cheques away?

A.—After they were checked against our stubs and our books balanced with bank balance they would be filed away just as received month by month.

Q.—Put away in packets?

A.—Yes.

Q.—They evidently were not pasted in the stubs?

A.—No, just filed away as received.

MR. GRAVES: I suppose they would be marked on the outside?

A.—Yes.

Q.—So that you could go to a packet, if you knew the date, and locate a cheque?

A.—Not necessarily, depending upon when the cheque was returned to the bank. It might be returned in a month later.

Q.—They they would not be put in in rotation of issue but in rotation of return?

A.—I imagine so. That is the regular method.

HON. MR. PRICE: You have had occasion to go back and get cheques since cheques have been issued by the bond department?

A.—I would imagine so. There would be no trouble to find a cheque.

MR. GRAVES: Anybody who is cognizant of the business in there could find this particular cheque?

A.—Without any difficulty.

HON. MR. PRICE: Then did you have a look at this cheque?

A.—No.

Q.—Did you handle this cheque afterwards?

A.—Not after it was issued. I never saw it after that.

Q.—You never saw it at all?

A.—Not when it came back.

Q.—After it was cashed?

A.—No.

Q.—Did you ever hear that anybody took the cheque out?

A.—No, I did not until I recently read about it.

Q.—Didn't you discover it before you read about it here that the cheque was missing?

A.—No, I had no occasion to.

Q.—You had not been told then by Mr. Clarkson?

A.—Yes, that was the time, the day I talked to Mr. Clarkson.

Q.—Mr. Clarkson told you that the cheque was missing. Now who would have access to this cheque?

A.—Ordinarily, only some one in our department, excepting that our cheques were probably filed in the Toronto branch vault. I think that is where

they would be filed; so that almost anybody who took it on himself to go in and look for a cheque would have access to it.

Q.—Then a great number of people might have access to it?

A.—I would imagine so.

Q.—No one outside of the bank would have a chance?

A.—No, it would have to be someone inside, and someone who would have some justification for being in the vault where the cheques are filed.

MR. GRAVES: What we want to know is just that, because sometimes it has been stated that these cheques almost anybody could see them?

A.—Almost any officer or clerk in the bank would have access to the vault. It was a general filing place.

Q.—But nobody outside of the bank—I could not go in there?

A.—Absolutely no.

HON. MR. PRICE: Then do you know anything about the cashing of this cheque?

A.—No, I do not.

Q.—As the cheque was made out to the Hon. Peter Smith, Provincial Treasurer, did you see him in the bank on that day or around that time?

A.—No, I did not, not to my knowledge, not to my memory.

Q.—Would you think anyone from the bond department would be asked to cash that cheque?

A.—I do not think so.

Q.—Do you know who did cash it?

A.—No, I do not. As a matter of fact I did not actually know that it was cashed or being cashed. It may have been cashed, but our connection with it would end when we delivered the cheque to the head office. If it was going to be cashed it would not be cashed by anyone in our department.

Q.—When it was cashed, as it apparently was, to whom would it be presented, to the accountant or the teller in the Toronto branch?

A.—Not being absolutely familiar with the general routine in the Toronto Branch, it is purely my supposition; it would depend largely on who presented the cheque. If it was the chief officer from the head office, they might be able to go direct to the teller; if it was someone from upstairs they might be able to get it initialled by the accountant.

Q.—Supposing it was endorsed by Mr. Smith, the general manager could then, if it was issued to Mr. Smith or his order and was endorsed by him, send it down to the Toronto office to be cashed?

A.—And have it cashed, I think so.

Q.—There are several other charges against the bond department on loans. Can you tell us what instructions you got on the loan on May 5th, 1920, one maturing 1st November, 1920, for \$3,000,000 upon which there appears to have been a cheque drawn to general expenses on June 8th, 1920, and sent up to the head office?

A.—As near as I can recollect the instructions were somewhat similar to the previous instructions, that is that a cheque was to be issued and charged against the bond department's profit on handling that issue, and issued to the head office. I have forgotten how the cheques were issued at the time.

Q.—This cheque apparently was issued on 8th June, 1920?

A.—Our instructions are really what is embodied by the note on the face of the cheque, expenses re sale \$3,000,000 Ontario six months Treasury Bills to head office.

Q.—That goes to head office?

A.—That goes to head office. The disposition of that we do not know.

Q.—That would be an item then of \$1,000 cheque over to the head office, general expense against that loan?

A.—Against that loan and chargeable against our bond department profits.

Q.—Now is there anything else you know about that \$1,000 cheque?

A.—No, nothing that I know of, except the handing of it over to the head office, and we were told that it was expenses in connection with this transaction with the department.

Q.—Did you see anyone in the bank that day to whom that would be paid?

A.—No, I would not—I do not remember.

Q.—Then did you take that up to the head office and give it to the general manager, or how was that cheque disposed of?

A.—It was either handed to the general manager or sent up to him.

Q.—On the same day you issued a cheque to the Treasurer of the Province of Ontario, apparently on the same loan, that cheque is for \$2,525 and was charged in the same debit voucher. How do you explain that?

A.—This is in the nature of a refund to the Province.

Q.—It does not seem to be an uncommon thing to have a refund to the Province and also have a payment into the general expense account of the head office, does it?

A.—No, apparently not.

Q.—Apparently it happened on the same day?

A.—That is right.

Q.—And one was a refund to the Province and the other went into the head office account of the general manager?

A.—That is right.

MR. GRAVES: Whose writing are those cheques in?

A.—I think they are in the handwriting of Mr. Ross. I signed both of them and they are initialled by Mr. Ross.

MR. WIDDIFIELD: Mr. Fleming, you said a little while ago that it was the general manager's intention that a refund should be made. Was it a matter of intention or a matter of option on his part, or was there any understanding between the Government and Mr. Mason as to that?

A.—I could not speak definitely, because the only instructions we had was what I state, that it was the intention to make a refund to the Government. And whether it was by pre-arrangement or subsequent arrangement it was not stated to us.

Q.—You have no information on the score of excess profit—you do not know of any arrangement of that kind?

A.—No.

Q.—That a refund should be made?

A.—I do not. No, except the inference was that the refund was dependent on a certain profit being made or a profit being made on the transaction.

HON. MR. PRICE: These two cheques of June 8th, being one to the Province for \$2,525, and the other to general expense, I see that the \$2,525 cheque has gone through the books of the Province?

A.—Yes.

Q.—Endorsed by Mr. Sproule, the Deputy Minister at that time; and the \$1,000 was endorsed by Mr. Whittaker. Do you recollect that—does that bring anything to your mind?

A.—It does not recall anything to my mind.

Q.—Mr. Whittaker says he got that cash?

A.—It looks from the endorsement as if that has been cashed by Whittaker.

Q.—Mr. Whittaker says he got that cashed into legals and handed them to the general manager: Would you have any knowledge of that?

A.—We would not have any knowledge of that, once it is out of our hands, until it came back. As I said a little while ago, I never saw any of those cheques after they went out, after they came back.

Q.—You remember this particular transaction?

A.—No, I do not. I did not even recall making any refund to the Province of that transaction until I saw that cheque.

Q.—Is there anything further you can tell us about these two cheques, the one for \$1,000 and the other for \$2,525?

A.—Not any more than they indicate themselves. This one to the Province and this other apparently cashed by Whittaker. But I would not have any knowledge about it previous to this.

Q.—Now, Mr. Fleming, from whom would you get instructions to give that rebate to the Province and to issue this \$1,000 cheque?

A.—From the general manager. All our instructions were received from the general manager, except when he was absent and Mr. Whittaker would take his place for the time being.

Q.—And in doing that you would be carrying out the instructions of the head office of the bank?

A.—That is right.

MR. BIGGS: What is the date, Mr. Chairman, of the \$2,500?

HON. MR. PRICE: The same date, in fact they are both in the same voucher, both the debit voucher and the two cheques. Then we have got a loan on June 15th, six per cent. Treasury Bills for six months, and on July 29th there was a cheque for \$2,000 cashed and went into the general expense. Later \$500 was refunded from the Toronto branch, which charged this amount to its interest account—that is Exhibit 90. That is a cheque drawn by you?

A.—Yes, that is my writing.

Q.—Signed by you and signed by Mr. Whittaker?

A.—That is right.

Q.—This cheque is for \$2,000, dated July 28th, 1920, general expenses?

A.—Did we have an issue of securities at that time?

Q.—Yes, and it is charged up to the issue of securities.

A.—That would be right.

Q.—Can you recollect that particular transaction?

A.—Not anything different from the previous ones.

Q.—Why would Mr. Whittaker sign it?

A.—Mr. Ross or Mr. Mockford may not have been there at the time. That would be the only reason, so far as I know, why he would sign it. He would be the only other one who would have authority to sign it at the time.

Q.—Where would you get instructions for this payment?

A.—From head office.

Q.—Would you get it from Mr. Whittaker?

A.—I do not think so. I do not remember receiving any instructions from Mr. Whittaker in connection with these cheques.

Q.—Can you remember about the delivery of this cheque?

A.—I do not remember the actual delivery of that cheque. I presume it

would be delivered to the general manager, the same as the other cheques, or sent upstairs, which would mean that it would be delivered to the general manager if he was there or to Mr. Whittaker.

Q.—Would you send a letter with it?

A.—Oh no, just hand it.

Q.—There would be no memorandum in your department?

A.—Except the cheque and stub.

Q.—Then on November 16th, 1920, a cheque for \$1,500 chargeable to another Treasury Bill, dated October 15th. It was charged up to general expenses and cashed on December 1st, Exhibit No. 92. Can you identify that?

A.—No. These appear to be similar. This, of course, was issued by Mr. Ross and signed by me and Mr. Ross and initialled by Mr. Calvert. No endorsement. But it would be covered in the same way as previous cheques, under instructions from the general manager, against the profits on the transaction.

Q.—What you have said about other transactions would apply to this?

A.—Yes. I do not recall any circumstances in connection with any of the individual cheques.

Q.—Where would this cheque go?

A.—In the same way to the head office, to the general manager.

Q.—Were you in the bank in November, 1920?

A.—Oh yes.

Q.—I thought you said you went out in October?

A.—No, I went out on November 1st, but I said I still remained there part time until Mr. Ross was worked into the position.

Q.—Then here is Exhibit No. 91, produced by Mr. Clarkson, which shows a debit, October 26th, re Province of Ontario six per cent. treasury notes due December 15th, 1920, \$500—do you know anything about that?

A.—This deposit was to the credit of the bond department. I have no recollection in regard to this. It might have reference to that \$2,000 cheque.

Q.—Yes, it was a rebate back?

A.—It may have been a rebate back, I do not know what the dates are.

Q.—This is \$2,000?

A.—That is July.

Q.—Yes.

A.—I have no recollection of this item of \$500, which is a credit to the bond department.

Q.—That would be a credit to the bond department in connection with this \$2,000 cheque?

A.—It apparently was an adjustment on that item.

Q.—Now, Mr. Fleming, is there anything that you can tell the Committee, which would throw light on these transactions?

A.—I do not know of anything that I have not already told or which has come out on these questions. My recollection is very dim on these smaller cheques. The only transaction I have carried in my mind was this \$4,000,000 issue. As a matter of fact I think perhaps the records show that that was the first instance where any refund had been made or any cheques issued in connection with a refund, and that may be why I remember it so well, and the amount was quite substantial. These other cheques I did not recall until I came to them in detail. But our only knowledge of these transactions is that they were under instructions from head office, the general manager, in connection with the various deals with the Province. Our business was to sell these notes, and other

than that, the disposition of these cheques or the disposition of the cash, we had nothing to do with and know nothing of.

Q.—Having got instructions from the head office through the general manager, you carried out the instructions as given?

A.—As given.

MR. GRAVES: Mr. Fleming, the original profits on that first transaction were approximately \$98,000, in round figures?

A.—Yes, sir.

Q.—And those profits, so far as you are concerned, were divided, \$15,000 supposed to go back to the Province, according to the cheque?

A.—Yes, according to the cheque.

Q.—\$42,400 was taken from the bond department and placed in what department of the bank?

A.—In the head office.

Q.—The same as it would be in any two separate institutions?

A.—Yes, that is right.

Q.—So that left the profit out of that practically \$31,000 in round figures to the bond department?

A.—Yes, that is right.

Q.—Now there is not any doubt in connection with the \$15,000 cheque, the stub of which is here, that that cheque would be made out not to bearer?

A.—I should not think so.

Q.—There is no doubt at all?

A.—No doubt at all.

Q.—It must have been made out according to the stub.

A.—I would imagine so.

MR. FISHER: How can he say that. He should not be asked that.

MR. SINCLAIR: It must be imagination. There is no guarantee of that.

A.—No, I do not say it was so.

HON. MR. PRICE: It was the general custom?

A.—Yes, sir.

MR. GRAVES: It was the general custom—when this cheque shall be found we will all know as to the disposition of this \$15,000, and from the fact that the cheque cannot be found is the fact that we cannot locate now that \$15,000.

MR. SINCLAIR: That is quite true. If Mr. Fleming could suggest where the \$15,000 went, we might find it.

MR. GRAVES: The smaller amount, the \$2,000, has been found credited to the Province?

A.—The \$2,500, yes.

Q.—And it was the same style of transaction?

A.—Yes, it was in connection with securities of the Province.

Q.—And on the same division?

A.—In ratio to the issue?

Q.—No, but on the same date that the other cheque was drawn to cash?

A.—Oh, I understand, yes.

Q.—So that the smaller one did go through in the regular way, but the \$15,000 cheque has not gone into the Province?

A.—No, apparently not.

MR. McKEOWN: I think you told the Committee that this \$15,000 cheque was prepared on your instructions received from the general manager?

A.—So far as my recollection serves me, yes.

Q.—And in the ordinary course, without instructions to the contrary, the cheque would be made payable to order?

A.—Absolutely.

Q.—And had you any instructions to the contrary?

A.—Not to my knowledge, no. As I remember it, no. That is why, I presume, that cheque was made out in that way. I would not vouch that it was.

MR. SINCLAIR: In the stub, is that your writing?

A.—No, that is Mr. Mockford's writing.

MR. FISHER: Do you remember at all about it, Mr. Fleming?

A.—Not any more than has been said.

Q.—As a matter of recollection, have you any recollection of that cheque?

A.—Nothing more than having the cheque made out as I stated before, my recollection did not serve me to the extent that I remembered that that cheque was issued until Mr. Clarkson brought it up. I thought it was a debit slip.

Q.—As far as you can go is to speak of the general custom?

A.—Yes.

Q.—When was the bond department established?

A.—The bond department, as an active bond department, was established the 1st of May, 1919.

Q.—You did not, as a bond department, carry on a brokerage business, I suppose?

A.—Yes, we did.

Q.—Did you buy and sell stocks and bonds for other people?

A.—Yes.

Q.—To what extent did you buy for yourselves during 1919?

A.—I could not tell you that without referring to the records.

Q.—Could you give us some idea?

A.—I could not tell you on any specific issues. We were tendering for other bonds, the same as other bond houses, on municipal issues which came out.

Q.—Could you tell us how many you bought?

A.—We got a block during 1919, in my time, a block of City of Ottawa bonds, on joint account with another bond house.

Q.—When was that?

A.—I could not say whether it was 1919 or 1920.

MR. MCBRIEN: Did you pay any commission on them?

A.—We bought them by public tender.

MR. FISHER: The way you buy all Ottawa bonds?

A.—Yes. We also bought some County of Oxford and some New Glasgows' and others by public tender.

Q.—Is that in 1919?

A.—I could not state definitely without referring to the books.

Q.—You did buy \$4,000,000 from the Province?

A.—The head office bought that. The bond department did not buy those. The other transactions were bought directly by the bond department.

Q.—Can you tell us any other transaction in 1919 by the head office of the bond department?

A.—Not without referring to the books.

Q.—Did you buy any considerable amount?

A.—We were doing business right along, but I could not tell you definitely the issues we undertook without referring back.

Q.—You could remember if you bought a large block, couldn't you?

A.—I remember selling a block of, I think it was \$3,000,000 treasury bills, when I first went in there, in May, from the Province.

Q.—For the Province?

A.—Yes.

Q.—Outside of the Province, outside of dealings with the Province, did you buy or sell any in 1919?

A.—I could not tell you that without referring to our ledgers.

Q.—Then apparently you did not do very much outside of your business with the Province?

A.—I would not say that without referring to the ledgers, we may have.

Q.—The heads of a department could tell us whether they had been doing any considerable business?

A.—I have not been in that department for some years. My interest in that department ceased when I left there.

Q.—Then you cannot tell us about any business in the Province?

A.—Not to give you accurate information.

Q.—In regard to the \$4,000,000 purchase, who negotiated that?

A.—I believe the general manager did. He is the only man who talked to me about it, and said he had bought the bonds.

Q.—He did talk to you about it then?

A.—Yes.

Q.—What did you pay—what was your bid?

A.—The bonds were bought at 94.48.

Q.—Who fixed that bid?

A.—The head office.

Q.—Were you asked about it at all?

A.—No.

Q.—The head of the bond department did not know what you were bidding?

A.—No, not until the bonds were bought. We were advised when the bonds were bought that the bank had bought the bonds.

Q.—You did not know anything about their being bought until after they had been bought?

A.—The bond department may have heard something about it, but not directly.

Q.—You were not consulted in any way?

A.—Except that we may have been consulted in connection with the sale of the bonds if the bank bought them.

Q.—Do you know how that matter was negotiated?

A.—No, I do not.

Q.—Have we got the contract, Mr. Treasurer, in that connection? We have some correspondence, I suppose?

HON. MR. PRICE: Other than there is a file produced in the House. A return was made to the House the other day and has been in the House for some time. A copy of the return file is in the department, and Mr. Jones will get the file.

MR. FISHER: Did you ever see any contract with the Government in relation to these bonds?

A.—No, I do not remember having seen any correspondence.

Q.—Have we got the file of the bank in regard to this transaction, Mr. Treasurer?

HON. MR. PRICE: All we have is the evidence of Mr. Clarkson, who has gone through all the papers or the documents and papers and produced the statement here.

MR. FISHER: Can we get a file relating to this purchase?

HON. MR. PRICE: I suppose we can, from the general manager of the bank.

MR. FISHER: Mr. Nash, I suppose, could tell us that.

HON. MR. PRICE: Mr. Nash will get what there is.

MR. FISHER: Could we have that this afternoon?

HON. MR. PRICE: Mr. Nash will try to get it this afternoon. He says it will be general correspondence; that there is no specific file on it.

MR. MCKEOWN: Mr. McGarry said when the offer was made he just accepted like that.

MR. FISHER: But I suppose there is something in writing?

MR. SINCLAIR: Has the Government any file on this?

HON. MR. PRICE: Yes, the copy of the file has been produced in the House ten days ago. Why don't you go and look at the file? What is the use of coming here and trying to draw a herring across the trail. You can have any papers there are.

MR. FISHER: I do not know who your remarks are addressed to. I am asking for some papers, and we are entitled to get them.

Q.—You do not know anything about this contract, Mr. Fleming?

A.—No, not the making of it.

Q.—You have never seen it?

A.—Not to my knowledge.

Q.—How do you know how much you did pay?

A.—I know what the bond department paid. We took delivery of the bonds and issued our cheque direct to the Province of Ontario at the purchase price. That is the fact on which I base my knowledge.

Q.—Who was there would know anything about the making of this contract, except Mr. Mason?

A.—I do not know.

Q.—Was there anybody in the bank who would know anything of it?

A.—Not that I know of.

Q.—There would be no one in the bank—is that what you say?

A.—There may be several who did know of it, but there is no one that I know of.

Q.—There is no one left?

A.—They are all left there except the general manager; but whether anyone but the general manager was familiar with the negotiations, I could not say.

Q.—You do not know whether anybody outside of Mr. Mason, who is dead, would know anything about it?

A.—No.

Q.—Can you suggest anybody who might know?

A.—The next man was Mr. Whittaker, and he might know.

Q.—Anybody else?

A.—Mr. Calvert might know. But whether these men do know, I could not tell you. It is purely guess.

Q.—Now, at some stage you tell us you were told you were to make a rebate to the Province. Is that correct?

A.—That is correct.

Q.—What was that rebate to be?

A.—Our instructions were to issue a cheque for \$15,000 to the Provincial Treasurer.

Q.—How much was the rebate to be?

A.—A \$15,000 cheque.

Q.—You mentioned 1 per cent. or $1\frac{1}{4}$ per cent. this morning?

A.—Yes.

Q.—What do you say about that?

A.—That was the amount of profits that we were to make.

Q.—You were to make $1\frac{1}{4}$ per cent.?

A.—That we were to be entitled to.

Q.—Which was it to be, 1 per cent. or $1\frac{1}{4}$ per cent?

A.—I could not say, speaking from memory. The books would show how it worked out.

Q.—How much profit did you make?

A.—I do not remember the exact amount.

Q.—Somebody has said \$98,000?

A.—The gross amount was between \$98,000 and \$100,000. I can tell you that.

Q.—The profit, 1 per cent. or $1\frac{1}{2}$ per cent., which you were entitled to make, was that to be clear?

A.—That was to be net, yes.

Q.—Now, have you figured out how much you should have returned to the Province?

A.—No, we do not know how much we were to return to the Province. As I said this morning, it was my impression that 1 or $1\frac{1}{4}$ per cent. was the amount which the bond department was to be entitled to; and what was to be returned to the Province we were not aware except to the instructions to issue this cheque for \$15,000.

Q.—How much was the bond department to account for—how much should you have accounted for?

A.—We were to account for approximately 1 per cent.

Q.—How much was that?

A.—That would be approximately \$40,000.

Q.—All you had in addition to what you were supposed to have?

A.—No, that is what we were supposed to have, that is the amount of profit we were supposed to have, approximately \$40,000, that would be 1 per cent.

Q.—How much more did you have to account to somebody for?

A.—According to the records there, we had a gross profit of around \$98,000.

Q.—And what would your costs be?

A.—Our legal fees and our delivery charges would be the only costs.

Q.—And how much would you have left then?

A.—That would be over \$90,000.

Q.—You had \$98,000 altogether, you say?

A.—Yes.

Q.—And you deduct \$40,000 which you are entitled to keep, and you deduct your expenses, and what you had left you should account for to somebody—is that right?

A.—That is right.

Q.—How much would that be, approximately?

A.—Another \$40,000 or \$45,000.

Q.—Did you account to anybody for that?

A.—We accounted to the head office.

Q.—How?

A.—By a debit slip for \$42,000.

Q.—That \$42,400 represented an amount which was to be accounted for in some way?

A.—Yes.

Q.—Was that to be a rebate to the Province?

A.—I do not know.

Q.—Mr. Clarkson gave some idea that that was the case, the other day?

A.—That was the impression given ultimately, that this division was covering a refund to the Province. That inference was given by the general manager.

Q.—That 42,000 was an amount to be rebated to the Province—that was your impression, was it?

A.—That was my impression at the time that cheque was issued for \$15,000.

Q.—Where did you get that impression from?

A.—From the general manager.

Q.—Did anybody else know about that understanding?

A.—I do not know. Mr. Whittaker might know or Mr. Calvert might know.

Q.—Now, you charged up that \$42,000 where?

A.—Against the bond department's account.

Q.—Then, prior to making this charge you had already paid out \$15,000?

A.—Yes.

Q.—Where was it charged?

A.—To the same account.

Q.—So that they were both, so far as you are concerned, charged to the same place?

A.—That is right.

Q.—Did you know any difference between one and the other?

A.—Except that one was apportioned to the head office, and the other was apportioned to the Provincial Treasurer.

Q.—How was it apportioned?

A.—The Provincial Treasurer's amount was covered by a cheque. The other was covered by a debit slip to head office.

Q.—Apart from the cheque and debit slip, was there any difference in the way that they were allocated in your books?

A.—Yes; well, one was charged up to head office and the other was charged up to the Province.

Q.—And they were both charged against the loan?

A.—That is right.

Q.—Now, with that debit slip of \$42,400 there was a memorandum, was there not?

A.—There is a deposit slip.

Q.—Is that what you call the debit slip?

A.—That is the debit slip.

Q.—And it shows that the \$42,400 is made up of a number of items, \$1,800, \$25,000, \$12,000, \$2,500, \$1,000, \$100, totalling \$42,400. Did you see that at the time?

A.—No. This is not a bond department debit slip; but this is of the Toronto office. I never saw this debit slip.

Q.—When did you first see it?

A.—This morning.

HON. MR. PRICE: In other words, you do not know what these different amounts stand for?

A.—I have not any idea.

MR. FISHER: Do you swear you have no knowledge?

A.—None whatever. The first I knew of it was when Mr. Clarkson told me of it.

Q.—Who told you where to charge this \$42,400?

A.—There was only one place to charge it, and that was against the account which had created it, that is the \$4,000,000 bond issue.

Q.—Who gave you the information on which to charge it?

A.—The general manager.

Q.—Did the general manager tell you that was part of a rebate going to the Province?

A.—Not at the time, no.

Q.—Did he ever tell you that?

A.—He instructed us to credit head office with the amount and charge against our profits.

Q.—Did he ever tell you that that was part of a rebate to go to the Province?

A.—I am not sure whether he referred specifically to that item. The only time he spoke of refund was when he instructed us to issue this cheque; and the inference was that the amount outside of our profits was in the nature of a refund to the Province.

HON. MR. PRICE: That is the \$15,000?

A.—Yes.

MR. FISHER: And the \$42,000?

A.—Our interpretation was that the \$42,000 was in the same category.

Q.—Is there anybody around the bank who knows any more about this than you do?

A.—Mr. Whittaker might know more about that end of it.

Q.—Outside of Mr. Whittaker there would not be anybody?

A.—No.

HON. MR. PRICE: Is that the Mr. Whittaker who has been in the box?

A.—Mr. J. C. Whittaker.

MR. FISHER: I think he said the general manager drew out these amounts in large legals. Do you know that to be the fact?

A.—No, I have no knowledge of it.

Q.—You have no knowledge of how the items which make up that \$42,400 were paid out?

A.—No, I have not. I would have no occasion to.

MR. CARR: Who would know about the \$42,000?

A.—It would be purely an impression on my part, an opinion or a guess, that Mr. Calvert or Mr. Whittaker might know.

MR. FISHER: Have you any idea—I want your knowledge as to it—about where that \$42,400 went to after it went to the general manager?

A.—No, I have no knowledge of it.

Q.—You have no knowledge whatever?

A.—No.

Q.—Did you know the general manager to get legals from the bank from time to time?

A.—No, I would not have occasion to.

Q.—Did you know that?

A.—No.

Q.—During the time you were there, you never knew him to draw out money in large bills?

A.—Not to my knowledge. He might have drawn it out. I have known him to go to the teller and draw cash, but I have never seen the actual drawings.

Q.—Did you know that the \$15,000 was drawn out in large bills?

A.—No, I did not.

Q.—Your general information was not as wide as some of the other witnesses?

A.—It would not be, because we were a separate organization, and outside of our own department it was none of our business.

Q.—Mr. Ross had considerable knowledge of it,—was he there in your time?

A.—Yes, I engaged him.

Q.—Would he know any more about things than you do?

A.—I would not imagine he would.

Q.—At any rate you do not know of Mr. Mason at any time having got large bills from the bank?

A.—No.

Q.—Either for the \$15,000 or anything else?

A.—No.

Q.—Do you know whether anybody else got any large bills?

A.—Not to my knowledge.

Q.—Did you have anything to do with the general bank in Toronto?

A.—No.

Q.—Have you any knowledge about this \$1,000 that was paid or supposed to be paid?

A.—None whatever.

Q.—That would not be in your department?

A.—No.

HON. MR. PRICE: Here is the return sent to the House on the 4th of April, Mr. Fisher. And here is the original file.

MR. FISHER: Will you excuse me while I look at it.

MR. KEMP: Mr. Fleming, what time was the \$4,000,000 of bonds delivered to the bank?

A.—I think it was in December after we had sold the bonds. We took delivery and delivered them the same day.

Q.—Do you know what date it was that you made the purchase of them?

A.—What date the bank made the purchase?

Q.—Yes?

A.—I understood it was in September.

Q.—Would there be any bargain between the time of the purchase of the bonds and the delivery of the bonds?

A.—Any bargain with whom?

Q.—As to the profits and division of the profits, or anything of that kind?

A.—There might have been with the general manager and the Province. There was not any so far as we were concerned.

Q.—The general rule would be that when you bought the bonds the whole bargain would be made at that time?

A.—Yes.

Q.—Of the distribution of profits and everything?

A.—Yes.

MR. CARR: Mr. Fleming, I understood you bought the bonds at 94 and something?

A.—94.48.

Q.—Now in that case, if you bought them as a real practical buy, why should there be a rebate at all? I think, if I remember aright, the other day Mr. McGarry said he did not know anything about any rebate. Now how did that rebate come about?

A.—There should not have been any rebate.

Q.—There apparently was a rebate?

A.—Yes, but there is no reason when the bonds were bought.

Q.—It looks as if there was something subsequent to the time that they were bought, some arrangement either made by the late Provincial Secretary, Mr. McGarry, or by Mr. Smith, some kind of a deal must have been made, or why would your bank voluntarily offer to throw \$40,000 or \$50,000 about, or give it to the Province? Can you answer that at all, or have you any idea as to that?

A.—No. I would not imagine that they would voluntarily —

Q.—But you know that it is done, or it was done?

A.—Yes.

Q.—What brought it about?

A.—I do not know.

Q.—As a business man, can you imagine why that would be done? If I bought anything at 94.48, as a practical business man I would not give anybody anything back if I made a profit on it, and I cannot imagine the bank doing it?

A.—And the bond department would not, under my management.

Q.—Yet you had instructions to do it?

A.—That is right.

Q.—And you cannot account for it?

A.—No.

Q.—You have no knowledge whatever?

A.—I have no knowledge whatever of the facts.

Q.—Doesn't it strike you as peculiar?

A.—Yes. It is a matter of opinion.

Q.—You were with the Home Bank for all of 1919?

A.—Yes.

Q.—Had you bought any other bills in your time, or made any other deals with other Provincial bonds?

A.—I remember when I first went in there that there was an issue of treasury bills bought from the Province which I sold for the bank.

Q.—Sold through your department?

A.—Yes; and there may have been other issues between then and December; but without referring to the books I could not state definitely.

Q.—You do not recall any similar condition to this on that deal?

A.—No. As I say, that is the first occasion on which there were any cheques or entries made by the bond department which were presumed to cover a refund or commission, or whatever you might call it. There was no occasion prior to the issuance of that cheque for \$15,000 or the debit slip to head office on which any entry was made covering refund or commissions.

Q.—I thought probably you might have some knowledge of why this refund

was brought about, because when a man pays out 94 something for what he has bought, I cannot understand the refund, and I think Mr. McGarry said he did not understand anything about rebate.

HON. MR. PRICE: Apparently all the rebate talk was in the bank. There is no record of it.

MR. CARR: But according to the evidence which we have there was a \$15,000 cheque and there was \$42,000 odd debited beside that.

MR. MCBRIEN: There is no evidence that it was distributed. It was just transferred.

MR. CARR: As I understood it, there was that much clear money made.

MR. GRAVES: That was my question. They divided it into three parts, the \$15,000 cheque, and the \$42,000, and there was the profit which the bond department kept.

MR. CARR: How much was coming to the Province, after they had their expenses?

A.—I do not know except that the cheque was specifically for the profits, and the presumption was that the other items were for the Province.

Q.—In other words, it was \$50,000 odd?

A.—Yes.

MR. MCBRIEN: You transferred it from your department to the head office?

A.—Yes.

MR. CARR: From your viewpoint, the other was the same?

A.—Yes.

MR. FISHER: There is a copy of a letter from J. Cooper Mason to the Hon. T. W. McGarry,—I suppose you could not prove this in any way, even if you had the original?

A.—No.

Q.—You could at least say whether the terms corresponded with that?

A.—Yes.

Q.—“Dear Sir: The Home Bank of Canada offers to purchase from the Province of Ontario \$4,000,000 ten-year $5\frac{1}{2}$ per cent. bonds payable in Canada and New York, coupons attached, at 94.48. This is at a cost to the Province of $6\frac{1}{4}$ per cent. Interim bonds to be delivered September 24th; regular printed interim bonds ready for delivery October 31st. Trusting that the above offer may be favourably considered, I am, Yours faithfully.” The terms on that were the terms?

A.—On which the bonds were purchased.

MR. CARR: That would look like a straight deal?

A.—Yes, a straight offer to purchase.

MR. MCKEOWN: May I direct your attention to this when discussing the \$42,400: That is made up, according to this deposit slip, of \$1,800, \$25,000, \$12,000, \$2,500, \$1,000 and \$100?

A.—That is right.

Q.—That goes to make up the \$42,400?

A.—Yes.

Q.—That was placed to Suspense Account in connection with this loan?

A.—Yes.

Q.—Now out of these amounts, I want to call your attention to the fact that there is a cheque of \$1,800 dated January 25th, 1919, corresponding to that one?

A.—Yes.

MR. CARR: For what?

MR. McKEOWN: To the Central Canada Loan Company, and that is the one of the \$1,800?

A.—Yes.

MR. CARR: That is commission, is it?

MR. McKEOWN: Then back in January, 1919, ten months prior to the loan—

MR. CARR: You are giving amounts, but what were they for?

MR. FISHER: The witness has said that he does not know anything about those cheques.

MR. McKEOWN: If you will allow me to put in what the witness has said, I will let it go for what it is worth. You have told us that the deposit slip is made up of different items. Now I produce a cheque, Exhibit No. 87, for \$1,800, payable to the Central Canada Loan Company, dated January 25th, 1919. I produce another cheque dated September 4th, 1919, to cash, \$2,500, corresponding, does it, not, with one of the items on this deposit slip?

MR. FISHER: Does the witness know anything about it?

MR. McKEOWN: Corresponding to one of the items on this deposit slip?

MR. FISHER: Now, Mr. Chairman, the witness has already said, as I understand it, that he does not know anything about it.

MR. McKEOWN: I am asking the witness a question.

MR. FISHER: Ask the witness if he knows, and if he does not know he cannot answer the question.

MR. GRAVES: I do not think it is practically important. All that Mr. McKeown is trying to do is to locate where the \$42,000 went. The vouchers are all here so that anybody can see it. There is nothing in this but what we have had before us before.

MR. FISHER: I have no objection to that, but I do object to the appearance being given that this witness is giving evidence about something which he has already said he does not know anything about.

MR. McKEOWN: If you will pardon me and wait to find out what the question is, I do not think you will find it is far wrong. There is a cheque, at any rate, for \$1,800, payable to the Central Canada Loan Company, and that in amount corresponds with one of the items on this slip?

A.—Yes.

MR. CARR: Why should they pay the Central Canada Loan Company?

MR. McKEOWN: It has been suggested that Col. Mason paid out a number of items previous to this loan altogether, and that he received from this department a large cheque to recoup him for moneys that he had paid out. I am producing these now,—it is only a suggestion, and if it were not for the objection of Mr. Fisher, I might say it is a pretty good suggestion.

MR. FISHER: It might be a suggestion, but it is not evidence.

MR. McKEOWN: There is a good deal which goes before the Public Accounts Committee which technically is not evidence. On September 4th, I produce another cheque for \$2,500, corresponding to one of the items which apparently go to make up the \$42,400. That is payable to cash and was cashed on the 4th September, I think, according to this memo?

A.—Yes.

Q.—Then I produce another cheque.

MR. CLARKE: Who got that cheque?

MR. McKEOWN: I do not know. It is payable to cash and it is not endorsed?

A.—It is not endorsed.

Q.—And it is paid by the bank some time before there was any deal for the \$4,000,000 loan which has been referred to, which did not come until the 23rd September. I produce another cheque dated 12th September, paid to self, for \$12,000, and that is paid by the bank on the 12th September.

MR. CLARKE: Is that paid to Mason?

A.—Apparently cashed by Mason.

MR. McKEOWN: Because it is signed by him, made payable to self and not endorsed by anybody. Under those circumstances you would say it would be paid to Mr. Mason?

A.—Yes.

Q.—Those amount to \$16,300 of the \$42,400?

A.—That is right.

Q.—And that was paid, apparently, by the bank, before there was any negotiation for the Provincial loan—is that right?

A.—That is right.

MR. OAKLEY: Mr. Fleming, this correspondence, which Mr. Fisher here has read,—the bonds were bought in the month of September by the bank?

A.—That is right.

Q.—And they were sold in the month of December?

A.—Sold, I think, in the month of December.

Q.—When did you first get the knowledge that your bank had purchased these bonds?

A.—I do not know definitely. It was some time, of course, subsequent to the end of September, during the month of October.

Q.—What months did you go to Chicago to try to make a sale there of the bonds?

A.—In November.

Q.—Did you, at that time, have any instructions that your department was to make not more than $1\frac{1}{4}$ per cent. on the bonds?

A.—Yes, I believe that when the general manager first spoke to me about selling the bonds he intimated that we would be entitled to 1 or $1\frac{1}{4}$ per cent., whatever it was, at that time.

Q.—That was the maximum?

A.—Yes.

MR. FISHER: The bank or your department?

A.—I inferred that he was referring to our department.

MR. OAKLEY: So that you had that knowledge before you went to Chicago to try to sell these bonds?

A.—Yes.

Q.—You were unsuccessful in Chicago and you came back, and then you made a sale of the bonds in December?

A.—Yes.

Q.—And you were still working under the same conditions that your general manager had instructed you, namely, the 1 or $1\frac{1}{4}$ per cent.?

A.—Yes.

Q.—Was that free and outside of any expenses you might have had in connection with the sale of the bonds, such as your legal fees?

A.—No, I would not say that. The seller of the bonds usually has to take care of those expenses.

Q.—The point I wanted to be clear on was that right when you first heard about the bonds, that you were to sell them, that your instructions were that you were not to make more than 1 or $1\frac{1}{4}$ per cent?

A.—That is my recollection.

Q.—It did not develop at the time when you sold them in December?

A.—No, it was understood before then.

MR. CLARKE: Necessarily, you would presume there was another deal made with the bank—why should they only make 1 or $1\frac{1}{4}$ per cent. if they owned the property?

A.—I think the records of the bond department will show that they had previous transactions with the department in which they allowed only a commission; and it may have been on that basis, providing the bond department with a certain specific commission for selling.

Q.—It was not necessarily that your bank would not make more than $1\frac{1}{4}$ per cent., but that your bond department would not be allowed more than that? A.—That was my impression at the time.

MR. FINLAYSON: Does anybody else want to ask Mr. Fleming anything?

HON. MR. PRICE: Mr. Fleming, in the letter attached to the letter from Col. Mason, of September 23rd, there is a memo concerning the purchase of this \$4,000,000 bond issue. That memo reads thus: "The Home Bank of Canada agrees to purchase from the Province of Ontario \$4,000,000 ten-year $5\frac{1}{2}$ per cent. bonds, payable in Canada and New York, interest coupons attached at 94.48. This is at a cost for the Province of $6\frac{1}{4}$ per cent. in Canada. Interim bonds to be delivered September 24th, and regular printed interim bonds ready for delivery, October 31st." Is that according to your understanding?

A.—Yes, sir.

Q.—On a $6\frac{1}{4}$ per cent. basis?

A.—It was at a cost to the Province of $6\frac{1}{4}$ per cent.

Q.—That was a definite, positive deal?

A.—Yes.

Q.—"In view of the present position of the Canadian market, it has been arranged to offer large blocks of Victory bonds in the United States. A special subscription committee is interviewing subscribers in New York, Chicago, and other points. The Canadian market is not very receptive. . . . It is anticipated that a large French loan will be floated in the United States about December 1st. There is a move on foot now to bring General Foch to America and at the conclusion of his tour Morgan and his associates will float a French loan. This will narrow the market down considerably. In view of this and the fluctuations of exchange in the last ten days, it would be very unwise to figure on more than a 6 per cent. rate." Do you remember that?

A.—Yes.

Q.—Is that a correct statement?

A.—That is a correct statement of the situation at the time.

Q.—Mr. McKeown has examined you on the payments out in September. Several payments were made by the general manager out of his account before the loan was actually negotiated. How do you account for that?

A.—I am not in a position to account for it. I cannot account for it without any knowledge of it.

Q.—You had made no money in the bond department then?

A.—Oh, yes.

Q.—I mean you had made no money in the bond department on this loan at the time these payments were made out?

A.—No. In fact, there were no items of any description in our bond department at that time.

Q.—In fact, you had made no money in the bond department on this loan until December, when the bonds were sold?

A.—That is correct.

Q.—So that the payments made out in September before the loan was even negotiated, could not be very well charged to this loan—is that right?

A.—That is right, unless they were charged in anticipation.

Q.—And the anticipation was not very good for a long time, was it?

A.—No. During the time I was in Chicago there were no profits anticipated.

Q.—So that when this \$42,400 was checked to the general manager's account at the head office, on December 19th, 1919, it was apparently to recoup general Manager Mason's account for payments already made?

A.—The exhibits would indicate that.

Q.—The items are right there on the slip,—to recoup his account for payments already made. That is correct?

A.—That is apparent from the exhibits. We had no knowledge of that, at the time, ourselves.

Q.—You would not have any knowledge of that?

A.—No.

Q.—Did you get instructions from the head office to transfer the \$42,400 on or about the time it was transferred?

A.—Yes.

Q.—Is it fair to say then that on the date it was transferred, which was the 9th December, 1919, that you got instructions from that day or within a few days of that time?

A.—I would say within a few days or on that day.

Q.—You did not have any instructions in September?

A.—No. We would not have any occasion to have instructions at that time, excepting that it may have been intimated to us that our portion of any profit would be a maximum of 1 or $1\frac{1}{4}$ per cent.

Q.—You were operating as a bond department?

A.—Yes.

Q.—That did not prevent the head office from making more profit?

A.—No, not at all.

Q.—The head office had allowed you a profit on other bills?

A.—On other bonds, on Victory bonds which they had issued.

Q.—And taken an extra profit themselves?

A.—Yes, we offered to sell bonds for the head office on a point profit on the cost, and they would allow us one-half or one-quarter and take the balance. I think the records would show something of that kind.

Q.—So that when Mr. McGarry swears that there was no arrangement whereby the Home Bank was to get only $1\frac{1}{4}$ per cent., he might be quite correct in that?

MR. CLARKE: Did Mr. McGarry say that?

HON. MR. PRICE: Yes, Mr. McGarry swore positively that there was no arrangement that the Home Bank was to make $1\frac{1}{4}$ per cent.

MR. CLARKE: Did he swear that there was no rebate coming?

HON. MR. PRICE: So that when Mr. McGarry swore in the box here, that as far as he knew it was a positive sale and no rebate, he would be correct in that.

A.—According to the correspondence you have read this morning he would be correct. There was no string to the deal.

Q.—And this talk of $1\frac{1}{4}$ per cent. may have been an internal matter in the bank between the head office and the bond department?

A.—Yes, that was my impression of it.

MR. CLARKE: Why would they give this \$15,000 back to the Province if it was an internal matter in the bank?

HON. MR. PRICE: You did go on, after various vicissitudes, not knowing whether you were going to make any money out of this transaction or not, and you did make a very profitable sale?

A.—Yes, sir.

Q.—And you were instructed by the general manager that there would have to be a rebate to the Province?

A.—Yes, that is right.

Q.—Of the \$15,000—that is correct, is it not?

A.—Yes, that is correct.

Q.—And the cheque was drawn for the \$15,000?

A.—That is correct.

Q.—To the Province, to the Hon. Peter Smith, the Provincial Treasurer and it was intended that it should go back to the Province?

A.—So far as we knew.

Q.—Now, did you know that the Province had approached the general manager of the Home Bank and told him that the bank had made too much money on it and that there should be a rebate?

A.—As I remember it, the general manager saw the new Treasurer, to advise him that we had made this deal with his predecessor. He had no knowledge of it when he went into office. And there was some discussion about the price in view of the price that the bonds had sold at. And I think it was as a result of that that the general manager advised us that there would be a refund to the Province.

Q.—Of the \$15,000?

A.—Yes, having in mind the profit that we had made on the transaction.

Q.—Then it comes down to this, that the Province, after you had made this good sale and got the money in December, said you had made too much money out of it and they wanted a rebate,—is that right?

A.—That is quite a reasonable attitude to take.

Q.—You have told us that the new Provincial Treasurer came down to tell you that you made too much money?

A.—No, he did not come down.

Q.—The general manager went to him?

A.—The manager advised me that he had seen the new Provincial Treasurer to advise him of this transaction, that we had made, so that we could get the bonds, and he inferred that the Province, the Provincial Treasurer, felt that the bank had made a pretty good profit on the bonds, and the general manager then told me that we would make a rebate to the Province.

Q.—Of how much?

A.—Well, he did not say at that time. Later, it may be the same day, had instructions to issue this cheque for the \$15,000.

Q.—Now, the \$15,000 cheque has not anything to do with the \$42,400 matter?

A.—Nothing whatever. They are different transactions.

Q.—One is a debit slip to the head office?

A.—That is right.

Q.—And the other is a cheque to the Province?

A.—That is right.

Q.—The \$42,400 might very well be the profit of the head office?

A.—It may have been. So far as we were concerned it was turned over to them as part of the profit.

Q.—Did you see Mr. Smith yourself about any of these transactions?

A.—Not about this transaction. I have been to see Mr. Smith subsequently.

Q.—You came up to see him?

A.—Yes.

Q.—You did not have a talk with him at the bank?

A.—No, not to discuss anything.

Q.—Did you see Mr. McGarry to discuss this transaction with him?

A.—No, I had nothing to do with the purchase of these bonds.

MR. CLARKE: There is just one question I would ask Mr. Fleming. A short time ago I had an impression that there was about \$50,000 due the Province under this deal. Now, with your cross-examination over, you have been got to say that there was only \$15,000 due to the Province on this transaction. I wanted to ask my friend how he worked out the \$15,000 coming to the Province?

A.—I did not know how it was worked out.

Q.—You have told us a while ago that there was \$42,000 plus \$15,000?

A.—That went out of our department.

Q.—That looked like a surplus payable to somebody?

A.—Yes.

Q.—How did you work out now that there was just \$15,000 due to the Province, as you have answered Mr. Price?

A.—That was the only item that was issued specifically to the Province.

Q.—The only direct?

A.—Yes, and it was at the time of the issuance of that cheque, or thereabouts, that the mention was made to us by the general manager that a refund would be made.

Q.—And you inferred, I think, that the new Treasurer, Mr. Smith, had had an interview with your general manager and in fact new terms were arranged?

A.—I did not state that.

Q.—You did not say that in plain language, but I think you said they had an interview?

A.—Yes, they had an interview.

Q.—And Mr. Price said that with the big profit that you had made a new deal was made,—now what kind of a deal was that—what was the Province to get for this new deal?

A.—As far as I knew, they were to get this \$15,000. That was the only item that was issued.

Q.—And that is the only thing for which the cheque was issued?

A.—That is what my statement is based upon.

Q.—Why shouldn't they have the whole balance?

A.—It all depends upon what kind of a new deal, as you say, was made by the Province, whether they were to get \$15,000 or \$50,000.

Q.—You don't imagine that Mr. Smith went to the general manager and said, "We will take \$15,000"?

A.—I am not imagining anything.

Q.—You cannot imagine that, can you,—I do not think so?

MR. FISHER: Mr. Fleming, you say the general manager told you that there was to be a refund to the Province?

A.—Yes.

Q.—Did he tell you how much that refund was to be?

A.—Eventually he came down and instructed us to issue a cheque for \$15,000.

Q.—At the time he spoke to you first, did he tell you how much the refund was to be?

A.—No, he did not.

Q.—Did he ever tell you how much it was to be?

A.—No, except by issuing this cheque.

Q.—It is quite clear that you were to account to somebody for the difference between 1 or $1\frac{1}{4}$ per cent. and your net profits?

A.—Yes.

Q.—And that difference would be \$15,000 plus \$42,400?

A.—Approximately. I think net that we did not make 1 per cent. on the deal for the bond department.

Q.—That is what you figured out, that you had to account for the difference to somebody?

A.—Yes.

Q.—Now, you said the manager said he had seen Mr. Smith and told him about the arrangements he had made with his predecessor?

A.—Yes.

Q.—When did he tell you that?

A.—About the time that we made the sale or were ready to take up the bonds from the Province. It may have been right after the Provincial Treasurer came into office.

Q.—What arrangement which he had made with his predecessor was the general manager telling Mr. Smith about?

A.—That he had bought the \$4,000,000 at 94.48.

Q.—Mr. Smith would know that. Was he telling Mr. Smith about the arrangement to rebate?

A.—I could not say. He did not intimate anything of that kind to me.

Q.—He was telling him of some arrangement which he had made with his predecessor?

A.—The deal which he had made with his predecessor, which was the purchase of these bonds.

Q.—Those had all been sold then, and you had them, had you not?

A.—No, we did not have the bonds.

Q.—You did not have to go and tell Mr. Smith that the bank had bought bonds at 94 and something, did you?

A.—That is exactly what he did do, so far as he told me.

Q.—And he thought it worth while to tell you that he had told Mr. Smith that he had bought the bonds?

A.—When the new Government came into office, that same day or the next day the general manager said that he would have to see the new Provincial Treasurer and advise him of the deal we had made with the old Government. So that after carrying it out—

Q.—When did he tell you he had seen him about the arrangement which he had made with Mr. McGarry?

A.—Shortly after Mr. Smith went into office.

Q.—Did he mention specifically about this rebate?

A.—He did not mention anything about it, to my knowledge.

Q.—He did not mention any details about it at all?

A.—No.

MR. FISHER: That is all.

MR. PRICE: Thank you. I will call Mr. Meighen.

Robert E. Meighen, sworn;

HON. MR. PRICE: Mr. Meighen, you are solicitor to the Succession Duty Branch of the Department of the Treasury?

A.—Yes.

Q.—How long have you occupied that position?

A.—Since 1916.

Q.—How long have you been in that department?

A.—Since 1905.

Q.—That would be from the commencement of the department?

A.—No.

Q.—How long has that department been in existence?

A.—Since 1892.

THE CHAIRMAN: And you have been in charge since when?

A.—Since 1916.

HON. MR. PRICE: And you have a pretty fair knowledge of the working of the department?

A.—Yes.

Q.—I have asked you to produce a statement showing the losses that the Province of Ontario has made on its succession duty free issues of bonds, which commenced, I take it, in 1906. Will you produce that statement?

A.—This is it.

Q.—Mr. Meighen produces a statement showing all the estates from 1906 until 1923 that have been absolved from succession duty on account of the fact that they held succession duty free bonds?

A.—Not that the estates were absolved, but that those bonds were absolved.

Q.—That means that that portion of the estate was absolved from payment of succession duty?

A.—Yes.

Q.—And this amounts altogether to \$852,038.43?

A.—Yes, according to our calculation.

(Statement marked Exhibit 175).

MR. SINCLAIR: What period, Mr. Chairman, did that cover?

HON. MR. PRICE: From 1906 until the present time.

MR. WIDDIFELD: Mr. Chairman, would it be a fact that owing to them holding succession duty free bonds the estate would be reduced and be in a lower class?

A.—No, the bonds are included in arriving at the total value of the estate and the rate.

THE CHAIRMAN: That is, you include the bonds in arriving at the total value of the estate?

A.—Yes.

HON. MR. PRICE: If the estate amounted to say a million dollars and there were \$200,000 of duty free bonds, the estate would be \$1,000,000, but there would be an exemption for \$200,000?

A.—That is correct.

Q.—It does not reduce the percentage under the Act?

A.—That is right.

Q.—Then you also produce, Mr. Meighen, a statement showing the estates in this Province which held, since 1906, succession duty free bonds or inscribed stock held in England?

A.—That is free inscribed stock, yes.

(Statement marked Exhibit 176).

Q.—This statement shows that there have been four estates?

A.—Three estates.

Q.—Yes, three estates in the Province since 1906 held inscribed stock domiciled in the old country, in London?

A.—That is the stock.

Q.—The stock was domiciled in London, amounting altogether to \$80,000 approximately?

A.—Yes, \$80,000.

MR. MCBRIEN: Mr. Chairman, is it possible to use these bonds over and over again?

HON. MR. PRICE: Yes, they would be transferred from one estate to the other. But the total amount lost to the Province from that was \$852,038, no matter how many times they passed through.

MR. MCBRIEN: Are there no bonds issued from which they would be exempt from succession duty only once?

HON. MR. PRICE: No. I think we should do that.

MR. MCBRIEN: Was not that the spirit of the issue?

HON. MR. PRICE: I will ask that from the witness. At the time these issues were put out, Mr. Meighen, what were the rates on the average estate? Take one estate and carry it all the way through to show the Committee how it was?

A.—In 1906 an estate passing to lineals was not taxed unless it was over \$50,000, when the rate was one per cent. It is now taxed if it is over \$25,000 and the rate is one per cent. Now an estate over \$50,000 is taxed $2\frac{1}{2}$ per cent. and the rate increases with the value of the estate.

Q.—Take an estate of a million dollars, at that time in 1906, what would be the rate on that?

A.—Five per cent was the highest rate on an estate passing to widow and children.

Q.—And when was that increased?

A.—In 1914, and again in 1920.

Q.—What was it increased to in 1914?

A.—Ten per cent.

Q.—And what does it stand at to-day?

A.—Ten per cent. if the estate exceeds a million.

Q.—Does it stand at 10 per cent. to-day, as it did in 1914?

A.—Yes.

Q.—I am not attaching any significance to 1914, but just to show that it was a general increase?

A.—In 1906 an estate of a million dollars could be taxed at 5 per cent.; in 1914 at 10 per cent.

Q.—To-day, what is it taxed?

A.—There is a surtax, and it might go as high as 25 per cent. Twenty per cent. on an estate to lineals and it might go as high as 25 per cent.

Q.—That gives a pretty fair illustration of the increase of succession duties.

MR. FISHER: Before we leave that, Mr. Chairman, may we follow that up. In 1906, 5 per cent.; in 1914, 10 per cent.; and in 1923, maximum of 25 per cent. The importance then of the redemption of the succession duty free bonds is many times greater now to the Province than it was in previous years dating back to the lower percentages?

HON. MR. PRICE: The rates are higher.

THE CHAIRMAN: You mean that the loss would be greater now?

HON. MR. PRICE: In your statement, Mr. Meighen, which you produce, see that the highest rate to the Province was 20 per cent., on the Eaton Estate and the total loss on that was \$336,131.14. What was the aggregate value of the Eaton Estate?

A.—About thirteen millions.

Q.—So that it is fair to say then that the loss was \$336,131.14 on that estate?

A.—Yes.

Q.—And that was on a 20 per cent. basis. Then there are other items given here, so that outside of the one big estate, the Eaton Estate, there was just a little over \$500,000,—altogether it was \$852,000 and with \$336,000 for the one large estate, so that the loss of the Province over all that time would be a little over \$500,000 outside of that one big estate?

A.—Yes.

Q.—Take, for instance, the year 1923, Mr. Meighen, and look at the statement. The only losses to the Province on account of the succession duty free bonds were in four estates, \$1,367.50; \$50.60; \$7,554 and \$700, amounting altogether to about \$9,000?

A.—\$9,600.

Q.—So that while you had a fairly big loss in 1922, included in it was the \$336,131 of the Eaton Estate, and your loss was a little over \$9,000 in 1923?

A.—Yes.

Q.—Now, Mr. Meighen, had you been requested by the Provincial Treasurer to figure out the loss to the Province before, we will say, the big Jarvis deal buying inscribed stock in the old country was put under way?

A.—I do not know when that deal was.

Q.—Were you not consulted about that deal?

A.—No. Those deals do not come before me.

Q.—That was in 1920. In 1920 the inscribed stock amounting to somewhere around six million dollars was purchased in the old country. Were you asked to make out a statement of the loss the Province had been put to up to that time?

A.—Prior to that date?

Q.—Prior to that date?

A.—No.

Q.—That is, you had made out no statement of what the Province had lost up to that time?

A.—No.

Q.—So that were you consulted then as to buying in the succession duty free bonds or inscribed stock in the old country?

A.—No.

Q.—So that then is it fair to say that the Province embarked on the Jarvis purchase in London without getting a statement of the loss that the Province had been put to on account of those bonds?

A.—They did not get any from me.

Q.—Either from Mr. Mathews or Mr. Smith or anyone else in the Department?

A.—That is 1920?

Q.—Yes.

A.—I may have made a return of the loss for 1920.

Q.—That would be later?

A.—Yes. I used to give a report for each year, 1919, 1920, 1921 and 1922.

Q.—What time was it that you did give a report of the loss for 1920, 1921 and 1922?

A.—The loss in 1920 would be given some time about February, 1921 some time around there.

Q.—What I am trying to get at is this: I see that Mr. Smith in his budget speech in the House, on February 22nd, 1923, says after losses of succession duty free bonds,—at page 9 of the pamphlet issued by the Province,—in round figures they issued \$23,000,000 in bonds free from succession duties on which the Province of Ontario has lost in succession duties in the last three years approximately one million dollars. Did you give him that statement, that the Province had lost one million dollars in the last three years?

A.—No.

Q.—He did not get that from you?

A.—No. The figures I gave him show—

Q.—What do the figures actually show?

A.—Something over \$600,000.

Q.—That includes the big item of \$336,131?

A.—Yes.

Q.—Just looking at that statement again, I see that in the year 1906 there was no loss; in the year 1907, \$100; 1908, nothing; 1909, \$5,000; 1910, \$665.42?

A.—Yes.

Q.—In 1911 a little over or about \$4,000; in 1912, \$6,000; in 1913, \$3,500 or \$4,000. These items, Mr. Meighen, were all fairly small?

A.—Yes.

Q.—The largest item along from 1914 to 1918 is a thirty thousand dollar item?

A.—Yes.

Q.—Charged on an estate of \$173,000, 17½ per cent.; and following along then, 1917, 1918, and 1919 and the biggest item in 1919 was \$28,000?

A.—Yes.

Q.—And in 1920 the biggest item was \$124,000 on an estate of about a million dollars?

A.—Yes.

Q.—That is the amount of the bonds in that estate. What was the size of the estate that paid that \$124,000?

A.—\$4,072,000.

Q.—So that the loss on a four million dollar estate was that amount, so that the loss to the Province on succession duty free bonds, as indicated by your returns, has been very much exaggerated?

A.—It has been exaggerated.

Q.—Yes, it has been exaggerated in the talk which we have heard and in what Mr. Smith said in his budget speech?

A.—Yes.

Q.—Now then, embarking on this project to buy inscribed stock in London, were you asked by the Department for the losses occasioned by inscribed stock domiciled in London being used and being held in Canadian estates?

A.—Asked to prepare a statement?

Q.—Yes, were you asked by the Department, before they started on this project, to advise them what the loss was on this English stock?

A.—No.

MR. BIGGS: Mr. Chairman, might I ask if this gentleman is the solicitor of the Treasury Department?

HON. MR. PRICE: No, he is solicitor for the Succession Duty Branch.

MR. BIGGS: You have a solicitor for the Treasury Department?

HON. MR. PRICE: Yes.

MR. BIGGS: Would not the solicitor for the Treasury Department be asked, rather than this man?

HON. MR. PRICE: This is the man who knows about the losses.

MR. BIGGS: But the solicitor for the Treasury Department would be the gentleman who would advise the Minister.

HON. MR. PRICE: You can have him here if you want him. Did you know, Mr. Meighen, that the four per cent. or $4\frac{1}{2}$ per cent. inscribed stock, which was succession duty free, was subject to the English death duties?

A.—Yes.

Q.—You knew that?

A.—Yes.

Q.—You knew that while a Canadian estate holding succession duty free bonds in Ontario, 4 and $4\frac{1}{2}$ per cent. bonds, while they would be free of succession duty here they would be subject to English death duties?

A.—Yes.

Q.—What object would there be, Mr. Meighen, in a man buying these bonds to free himself of succession duties here, if he had to pay English death duties in the old country?

A.—I could not see that there would be much advantage in doing it.

Q.—Then would it be fair to say that the fact that there were only four states that did it over that period is about an index of what advantage people thought there was in it—you only had four estates with that stock over that period?

A.—Three.

Q.—Only three estates in over that period?

A.—Yes. There were not many people who bought them.

Q.—Then is it not all nonsense to talk about people buying up this stock in the old country and bringing it over here and using it to get free of succession duties?

A.—It would look like it.

Q.—The three estates and the small amounts show that?

A.—Yes.

Q.—It speaks for itself, does it not?

A.—Unless people have bought it and their estates have not come in yet.

Q.—When it does come in, they may be pleased to know that they will be free of duty here, but they will have English death duties much higher. Were you consulted about all this buying of succession duty free stock?

A.—No.

Q.—Or inscribed stock?

A.—No.

Q.—You did not advise it?

A.—No.

THE CHAIRMAN: Is there anybody else who would ask Mr. Meighen anything?

MR. BIGGS: I have just this to remark. I do not know whether Mr. Meighen was summoned twice. Mr. Doherty, I believe, had a motion.

HON. MR. PRICE: Mr. Doherty is not here, but I have put in what Mr. Doherty asked for. Mr. Meighen is in the building and can produce what was asked for. You have produced what Mr. Doherty asked for?

A.—Yes.

Q.—The summary shows that there was in 1920, \$195,621.77; in 1921, \$22,184.71; in 1922, \$449,578.18, which includes the Eaton estate; in 1923, \$9,679.27; making a total for the four years of \$677,063.93. That is shown in this exhibit produced by Mr. Meighen and marked.

MR. FISHER: Mr. Meighen, you have put in a statement showing the total losses from when?

A.—1906.

Q.—In 1906 succession duty was much lower than it is now?

A.—Yes.

Q.—So that your average losses from that period, since 1906, would not be a fair standard of the losses for the future?

A.—On account of the rates being higher, the losses would be higher.

Q.—The losses must be higher than they have been in the past?

A.—Yes.

THE CHAIRMAN: The losses seem to average about \$46,000 for the 18-year period.

MR. FISHER: Have you any record of how much of the tax free stock went under your eye during that period?

A.—It is all in the list.

Q.—It would not show whether some of it went twice or not?

A.—No.

Q.—Take the Manuel Estates?

A.—One of them is here. I think there are two of them.

Q.—Three of them died within three years?

A.—I think there are two Manuels on that list.

THE CHAIRMAN: The second one is in 1919.

MR. FISHER: Three of them died in three years, so that the three estates would be exempt on the one lot of bonds?

A.—Yes.

HON. MR. PRICE: Do you not think, Mr. Fisher, it would be a good idea in respect of that to state that once inscribed stock or succession duty free bonds are inventoried in an estate or come into the Department, no further transfer would be allowed? It would require legislation.

MR. FISHER: Would it be fair to the man who buys them?

HON. MR. PRICE: We would have to give them a fair price.

(At 1.00 P.M. the Chairman adjourned the Committee to meet again at 3.00 P.M., Tuesday, April 15th, 1924.)

PUBLIC ACCOUNTS COMMITTEE

The Committee resumed at 3 o'clock in the afternoon of April 15th, 1924, with Mr. Finlayson in the chair.

Paul Fleming, called, sworn; examined by Hon. Mr. Price.

MR. PRICE: Mr. Chairman, in calling Mr. Fleming I desire to recite to the Committee that it is not on account of anything that affects his firm at all, but it is to get certain information from Mr. Fleming on offers made to the Province on certain bonds.

Q.—Mr. Fleming, you are of the firm of Kerr, Fleming & Co.?

A.—Yes, sir.

Q.—Toronto, and you transact a general bond business in the city?

A.—Yes, sir.

Q.—And have you transacted business in old country bonds as well.

A.—Yes, sir.

Q.—Inscribed stock?

A.—Yes, sir.

Q.—Have you any information which you can give the Committee as to Inscribed Stock of the Province of Ontario, whether it is subject to English death duties?

A.—Yes, sir, it is.

Q.—Did you make inquiries at the time? Did your firm make inquiries as to this?

A.—Yes, sir.

Q.—Were you in London yourself, London, England?

A.—Not at the time we ascertained that the stock was subject to death duties in England.

Q.—What information did you get as to the inscribed stock being subject to English death duties?

A.—I got the authority from the Inland Revenue Department, Somerset House, London.

Q.—Have you got that authority?

A.—Yes, sir.

Q.—Mr. Fleming produces (Exhibit 178) authority from Somerset House, State Duty Office, Inland Revenue, Somerset, W.C., comprising cable from Canada on the 18th of May, 1921. Please ascertain whether or not Province of Ontario 4 per cent. registered stock due 1947, Province of Ontario 4½ per cent. registered stock, due 1945, 1965, is liable for British Government Succession Duties if held by a Canadian resident in Canada. Please reply as quickly as possible.

The above two stocks are listed on the London Stock Exchange, and the Register is kept by the Bank of Montreal, 46, Threadneedle Street, London. As there is no Register in Canada for this stock which, according to the original prospectus, is free of Province of Ontario Succession Duties, Canadian holders are registered on the London register. The stock is in demand by Ontario

investors on account of the Succession Duty free clause, and before trading in it on account of clients, our Canadian offices are anxious to ascertain whether the British Government would require the payment of British Death Duties on such stock held by a Canadian estate.

We shall be very much obliged if you will reply to the enquiry made by cable.

COPY OF REPLY THERETO

Estate Duty Office,
Inland Revenue,

Somerset, W.C. E.

24th May, 1921.

Gentlemen:

Your letter of the 18, instant, which was addressed to the Probate Department, Somerset House, has been received here. With reference thereto I write to say that on the death of any owner of stock in either of the securities in question, Estate Duty would be payable in this country in respect thereof. I am, gentlemen, your obedient servant.

(Sgd.) A. E. SAMSON,
Principal Clerk.

Q.—How was it it was necessary for you to get this information, Mr. Fleming?

A.—We sold a block of 10,000 pounds to an individual client and we thought it only fair when the question came up to ascertain whether that was the case and on ascertaining that the stock was subject to death duties in England we bought the stock back from our client.

Q.—That is, as a brokerage firm you wanted to ascertain definitely the status of the stock, whether being free from succession duties in the Province of Ontario it was also free in England. What date was that you bought that back from your client?

A.—I should say we bought it back about the end of 1921, or the beginning of 1922.

Q.—Mr. Fleming, then I presume from this information as a broker, and experienced in handling these and other stocks, you had made up your mind it was no advantage for anyone here to buy these stocks from the standpoint of their being free from succession duties?

A.—That is correct, sir.

Q.—The stock would escape succession duties here, but be liable to English death duties?

A.—Yes, sir.

Q.—Mr. Fleming, I see in the records of the Department that you offered to the Government, Assistant Provincial Treasurer this letter was written to, so much stock in June of 1921, 13,000 pounds, at 94.78, letter 30th of June, 1921?

A.—That sterling, calculated at the current rate of exchange.

Q.—Have you a copy of that letter? On the 30th of June, 1921, you wrote offering the Province 13,000 4½ stock, due 1965, principal and interest payable London, England, at 94.78, and that principal and interest at 4.25 to the pound being the present rate of sterling exchange in Canada. I see following that you also wrote another letter. Were you unable to close a deal with the Province at that price?

A.—The first transaction we had with the Province was on the 10th of June, it was that block of 13,000 pounds.

Q.—I suppose you had heard that the Province were buying in these succession duty free bonds?

A.—Yes, sir.

Q.—And the first transaction you had was on the 10th of June. But you had written the Province several times before that, hadn't you, without success?

A.—I wrote the Province on the 7th of April, 1921.

Q.—And you offered 10,000?

A.—Yes, sir.

Q.—At 81.14?

A.—Yes, sir.

Q.—The pound is at par at that time?

A.—Yes, sir.

Q.—That was not accepted?

A.—No, sir.

Q.—That is, on the 7th of April you offered $4\frac{1}{2}$ per cent. stock at 91.14.

On the 7th of April, 1921, what were the prices prevailing? I note from the return given to the House that the Provincial Securities sold to the Province $\frac{1}{2}$ per cent., 12,400 $4\frac{1}{2}$ per cent. at par and par of exchange; you were offering at that time these stocks at 91.14?

A.—Yes, sir.

Q.—That is correct?

A.—Yes, sir.

Q.—And would have been glad to sell to the Province at that time?

A.—Yes, sir.

Q.—The Province were buying from the Provincial Securities at nearly nine points greater.

DR. JAMIESON: Was this offer made at that time?

MR. PRICE: Oh yes, made at that time. It is here in writing. It was made on the 7th of April; the sale of the Provincial Securities of the same securities $4\frac{1}{2}$, on April 15th, they were purchasing from the Securities at par and par of exchange.

MR. JAMIESON: And his firm offered them at 19.

THE CHAIRMAN: A week earlier.

MR. PRICE: And that offer was refused?

A.—It was not accepted.

MR. MACBRIDE: Was there any reason given for this non-acceptance?

MR. PRICE: Well, there was no answer to the letter apparently, but on the 10th of June there was a letter sent to Kerr, Fleming & Co., which reads: (Ex.)

Q.—That is, there is an answer from April 7th, but June 10th, over two months—Well now, Mr. Fleming, is it usual for you—

MR. FISHER: Government department! You don't expect too much.

MR. PRICE: Is it usual for you to hold something of that kind which you say in your letter you want answered right away, is it usual to hold that for two months?

A.—No, sir, we try not to hold it for two months.

Q.—Well coming along to this letter on the 30th of June where you made the offer of 13,375 $4\frac{1}{2}$ per cent. at 94.78; was that accepted?

A.—Yes, sir.

Q.—At 94.78. That was on June 30th, 1921?

A.—Yes, sir.

Q.—You were offering to sell to the Government at 94.78, figuring the pound sterling at 4.25, which was equal to 82.78 in Toronto. What rate were corresponding ones sold at that time? Browning, Harris, according to the return in the session, 1923, sold the same security at 99, five days later. Have you traced any of these securities, Mr. Fleming, you tried to sell the Province and had to sell them to other people, were you able to follow any of them?

A.—No, sir, I cannot say definitely.

Q.—For instance you make an offer to the Province at a certain price, then naturally you have to sell them to somebody else if the Province refuses them or neglects to take them up. Did you offer the Province any of these $4\frac{1}{2}$ per cent., or 4 per cent. inscribed stock and then have to sell them in the old country?

A.—Yes, sir, I remember one case.

Q.—Will you tell us about that case?

A.—I remember selling a block of 4 per cent. stock in London as we could find no market for it in Toronto.

Q.—Had you offered it to the Government, to the Department?

A.—I have no record, but I am sure it must have been offered over the telephone.

Q.—There are no letters?

A.—I have no record of the offering. We did not make offering by letters in all cases.

Q.—No! Then you would sell these either to clients or to the Government Department?

A.—We had only one sale to a client.

Q.—Only one sale?

A.—To a client.

Q.—What block was this, what amount?

A.—I could find it here, sir, somewhere.

Q.—Just look it up?

A.—I believe it was 2,700 pounds.

Q.—2,700 pounds, and at what price were you prepared to sell the Province?

A.—I am afraid I haven't a record of it, sir, as it was not offered by letter.

Q.—Well, not being able to sell it here, either to clients or the Department, you sold it in London, shipped it back to London?

A.—Yes, sir.

Q.—Had you bought it in London before?

A.—Yes, sir.

Q.—Bought it in London?

A.—Yes, sir.

Q.—Brought it over here with the idea of selling, not being able to sell it, you had to resell it again in London?

A.—Yes, sir.

Q.—Do you know by whom this block was bought?

A.—In London, sir?

Q.—Bought from you, yes.

A.—I know the London broker, sir, that we sold it to.

Q.—Yes?

A.—Who has no connection in Canada. I have heard of a similar amount being offered in Canada, but whether it was the same block or not, that I cannot—

Q.—Well, the similar amount, that was 2,700 pounds. It was a similar block of 2,700. Can you give us the information you have on it?

A.—I only remember, sir, that this block of 2,700 pounds appeared, offered by some dealer here in Toronto, shortly after. I don't know that I can say definitely who the dealer was. It is just memory.

Q.—Is there any record of 2,700 being sold to the—what date would that be, at 4½ per cent.?

A.—No, sir, this was the 4 per cent. stock.

Q.—Of the 4 per cent. stock, is it 2,700 or 27,000?

A.—No, it is 2,700, that is what I remember.

Q.—Do you know whether that stock was sold to the Government later, sold the Province later?

A.—No, sir.

Q.—I would like to put in Kerr Fleming's letters. Those are letters of the 30th of June, Mr. Fleming written to the Department; Kerr Fleming, of the 30th of June, put in and marked as Exhibit 179. Was there any other light that you could shed on these transactions, the buying of succession duty free bonds and inscribed stock; do you know of any other sales that you attempted to make to the Province which were refused?

A.—No, sir, as I say I haven't the record, a great many of them were done, offered, over the telephone.

Q.—You knew generally that the Province was in the market for buying these succession duty free bonds and inscribed stock?

A.—Yes, I knew they had bought stock.

Q.—Well?

A.—That was about the middle of June, 1921, that I knew they had bought stock.

Q.—The 3½ per cent. inscribed stock in England is not succession duty free?

A.—Mr. J. T. White, solicitor to the Treasury, told me it was not.

Q.—Well, we can easily get information about that. But you have never bought that or sold it as being succession duty free stock?

A.—No, sir.

Q.—And when you found out that you had sold to a client here, these 4½ per cent. inscribed stock representing it as being succession duty free, not knowing that it was subject to English death duties, you took that stock off his hands?

A.—I explained the situation to him, sir, and took it back.

THE CHAIRMAN: Look at that; that is a provincial cheque to you on the 27th of September, isn't it?

A.—Yes, that is later on that year.

Q.—Same year, isn't it?

A.—1921.

Q.—What does that represent, sale of what; your letter is there?

A.—I took it to be part of this transaction that was just mentioned.

MR. PRICE: Anyway, this covers the 11,875 pounds, Province of Ontario, maturing 1965?

A.—Yes, sir.

Q.—At 4½ per cent., and you sold that to the Province, cheque dated September 27th, at what rate?

A.—Well, it was at 82, that is at 94.78.

Q.—94.78, you sold to the Province that security which was 1965, 41½, 94.78?

A.—Yes, sir.

Q.—I see by the return, 23rd September, 1921, Browning, Harris & Northey purchased, sold to the Province the same security at 99; that is three or four days previous the Province was buying this security from Browning, Harris & Northey; four days later they purchased the same security from you at 94.78, a difference of 4½.

A.—Yes, sir.

Q.—You got the best price you could?

A.—Naturally we asked the best price that—

Q.—MEMBER: Did the Government set the price you sold at or did you?

A.—We were endeavouring to make the best offer we could.

Q.—You set the price?

A.—Yes, sir.

Mr. Sproule (former Deputy Treasurer) called; sworn, examined by Mr. Price.

Q.—You were at one time Assistant Provincial Treasurer?

A.—Yes, sir, from 1905 to 1920, 1st of September, 1920.

Q.—And were you superannuated then?

A.—At that time, before the 1st of September.

Q.—And as Assistant Treasurer you would keep track pretty well of the business of the Province, business of the Province in the Treasury Department?

A.—I certainly would.

Q.—Do you remember the \$4,000,000 bond issue which was sold by the Province to the Home Bank shortly before Mr. McGarry went out?

A.—No, I have no recollection of the deals, those three deals which started in Mr. McGarry's time. Of course any papers that are on file in connection with them would refresh my memory, refresh my knowledge. But I practically had nothing to do with the arrangements in connection with those.

Q.—Mr. McGarry says that he carried these on himself?

A.—Yes.

Q.—He was responsible for it?

A.—Well, as far as my recollection, it is a fact that the Provincial Treasurer has always attended directly to all his arrangements in connection with loans.

Q.—That is the Provincial Treasurer has taken that responsibility on himself?

A.—Yes.

Q.—And you would, once the deal was made, or completed, you would carry it out?

A.—Yes, sir, that is I would hardly have anything to do with the deal itself. My connection in regard to the matter only commenced after the Order-in-Council was issued. Copy was given to me, Assistant Treasurer, it would be backed up and sent to the audit office, returned with the auditor's certificate, and cheque to be issued, which I signed and the auditor signed.

Q.—Then was this \$4,000,000 10-year bond issue any exception to the general rule?

A.—Well, only in this way, that I understand that there was an open question as to the amount to be paid; that is unusual; I have no recollection of anything of that sort prior to that.

Q.—How do you mean, an open?

A.—That is, the amount to be paid.

Q.—The amount of interest you mean?

A.—No, the rate.

Q.—The rate of interest?

A.—No.

Q.—The rate on the dollar?

A.—Just so, the rate on the dollar.

Q.—Probably this would give you some idea?

A.—I would have nothing whatever to do with a thing of that sort.

Q.—That would go to the Treasurer then, addressed to Mr. McGarry, and it says this is at a cost to the Province, it says 94.48?

A.—Yes.

Q.—In the letter, this is at a cost to the Province.

A.—When I was speaking before I meant nothing under say 95, nothing of that sort—

Q.—So when this letter says 94.48 at a cost to the Province of $6\frac{1}{4}$, that would be the basis of the loan?

A.—Yes, sir.

Q.—Did you get instructions from Mr. McGarry once the loan was arranged to put it through, get the Orders-in-Council to put it through?

A.—No. The first I would have to do with it was when the Order-in-Council was sent to me to be handled as a Treasury Department voucher.

Q.—The Order-in-Council would fix the rate?

A.—Yes.

Q.—And fix everything?

A.—Yes.

Q.—And then you would?

A.—Have it backed up as a treasury voucher and sent through in the usual way as a voucher for payment.

Q.—Who would look after the printing of the bills?

A.—The printing of the bills?

Q.—Yes, of the certificates?

A.—The Treasurer.

Q.—I will just see whether there is in this file any further correspondence from you; there doesn't seem to be anything except this letter?

A.—This is to certify—well, that is just departmental routine.

Q.—That is you, isn't it?

A.—Yes, sir.

Q.—I am trying to get something you signed, that is all, just to bring your memory back?

A.—Yes; I would merely take precautions to see what I signed was correct.

Q.—Is there anything else, Mr. Sproule, that you recollect about this transaction?

A.—I have no recollection at all of anything that I had to do with it is on record in the Department; beyond that I know nothing.

Q.—Mr. Sproule, I think, was subpoenaed by Mr. Sinclair, would you like to ask Mr. Sproule any questions?

MR. SINCLAIR: Well, he is in the buildings, and probably I will see—

MR. PRICE: I have gone over anything here that he seems to know.

A.—I know nothing whatever. Well, I didn't get any instructions. I had practically nothing to do with it.

Q.—You had nothing to do with it?

A.—No.

Q.—Nothing to do with the arranging of the loan?

A.—With the arrangements in connection with the loan.

MR. SINCLAIR: Or collecting the money?

A.—I dealt with it merely when the Order-in-Council, after the whole thing was completed, after the Order-in-Council was sent on which action was taken for payment.

Q.—And how long before the loan was issued did you have any knowledge of it?

A.—I have no idea at all.

Q.—As I remember there was a letter from Mr. McGarry to the bank, or a letter from the bank to Mr. McGarry and a letter from Mr. McGarry to the bank—an offer and acceptance of this?

A.—Well, that would be between the Treasurer and the bank.

Q.—You had nothing to do with that?

A.—No.

Q.—Prior to that letter did you know anything about the price of the loan?

A.—Which?

Q.—Did you know they were talking of a loan?

A.—I have no recollection of anything of the sort. If I had anything to do with it as I told the Treasurer, if I had anything to do with it at all this will be in evidence in the voucher and files of the Department. Presumably they are all before the Committee.

Albert Edward Nash recalled; already sworn.

MR. MACBRIDE: One thing I would like to get clear if I may; as I understand it, there is a Treasury Board within the cabinet of every government. Of whom does that Treasury Board consist? Now my object in asking that is this; we have heard a lot about the Treasurer, Mr. Smith, Mr. McGarry, issuing loans. Does one man within the cabinet attend to that, or is there a Treasury Board within the cabinet, who all would have knowledge?

MR. PRICE: Answering Mr. MacBride, the Treasury Board is usually composed of the Prime Minister, the Attorney-General and the Treasurer.

MR. MACBRIDE: Well then, all these loans and bond issues during the late Drury administration would come through the Treasury Board consisting of Mr. Drury, Mr. Raney, and Mr. Smith, that is, if it were done properly.

MR. PRICE: Yes, of course that is quite right. To be fair on that, though, all these bond issues appear to have gone before the whole cabinet.

MR. MACBRIDE: But my point is this, Mr. Smith could not put through all these transactions alone, could he?

MR. PRICE: Oh no, the Treasurer, as probably you have noticed, quite early, when the Committee started, I put in evidence of the recommendations of the Treasurer. He recommends to the Treasury Board, or to Council, that a certain loan, or proposition, be carried through. It comes before Council and is discussed and then it is put through or disapproved of or amended.

MR. MACBRIDE: So that all this has been going on, should have gone on if it was done properly, with the knowledge of the ex-Premier, Mr. Drury, the

ex-Attorney-General, Mr. Raney, or perhaps with the whole knowledge of the cabinet.

THE CHAIRMAN: The members of the Treasury Board, we haven't any record of them, but we have this record put in before the Order-in-Council authorizing it could be issued, who were the members of the Council present at those meetings and you will remember in some cases Mr. Drury presided, and in some cases Mr. Raney presided, who were the members of the Treasury Board.

MR. MACBRIDE: My point is I don't think it should all be piled on Mr. Smith if there were other members knew about it.

THE CHAIRMAN: It is fair to say the Orders-in-Council provided the maximum price that was to be paid for securities, so I suppose they all had to accept responsibility for that.

MR. PRICE (to witness): When you were here some time ago, I believe it was Mr. Fisher, some member of the Committee, asked you to produce, or make out a statement showing the deposits, the Government deposits, in the Home Bank. I think they said from 1918, but this is made out from 1916 up; have you made that out?

A.—Yes, sir.

Q.—Can you produce a statement showing the deposits of the—

A.—That is the statement of the deposit receipts and withdrawals of the Treasurer of Ontario in the Toronto Branch of the Home Bank.
Exhibit 180.

Q.—In producing that, Mr. Nash, will you say to the Committee that you have made this from the records of the Home Bank in the possession of the liquidator?

A.—Yes; I have made this up from the records of the Home Bank of Canada.

Q.—And is it an accurate statement taken from the books of the liquidator?

A.—Yes, sir.

Q.—The old books of the Home Bank?

A.—The books of the Home Bank of Canada.

Q.—And that statement shows that the highest deposits the Home Bank had in 1916, \$700,000, highest balance?

A.—\$700,000.

Q.—In 1917 it shows the highest balance as \$1,400,000?

A.—That is right.

Q.—In 1918 the highest balance is \$2,175,000?

A.—That is right. No, in 1918, in November, balance of \$2,050,000.

Q.—Yes, \$2,175,000?

A.—Yes, that is right.

Q.—That 1918 commences the period that Mr. McGarry spoke of where the Home Bank had the Natural Resources balance. In 1919 the highest balance was \$3,800,000?

A.—\$3,800,000, in June.

Q.—In June, 1919. On November 3rd, 1919, I see there was a deposit of \$2,100,000 and a withdrawal shortly after of \$2,600,000?

A.—That is right.

Q.—Those are probably the Treasury Bills?

A.—I haven't checked that up.

Q.—That were sold at that time. I think we will look at the other account and see if that is so. But that apparently was about the time these Treasury Bills were sold. Then, Mr. Nash, after that, there is a continuous withdrawal,

I mean a continuous withdrawal until December 18th, 1919; there was only \$1,200,000?

A.—That is right.

Q.—And further withdrawals all through 1920 until October 8th, 1920, there was only \$200,000?

A.—\$200,000 on the 8th of October.

Q.—Then the latter part of November there was a balance of \$1,500,000, or rather in December?

A.—At the 31st of December, 1920, \$1,500,000.

Q.—And going on in 1921 there were balances well over a million dollars, the highest of which was \$1,600,000.

A.—Yes, sir, with the exception of one month, when the balance was less.

Q.—Yes, which month?

A.—Oh, you are speaking of 1921.

Q.—So it is fair to say that from the 1st of November, 1919, when the balance in the Home Bank had decreased only \$200,000—

A.—That is 1920?

Q.—In 1920 it gradually rose up until in January it was \$1,100,000; on December 31st, 1921, it was \$1,500,000; on January 29th, \$1,100,000; on February 19th, \$1,600,000, and on October 12th, 1921, it still stood at \$1,500,000?

A.—At \$1,500,000 on October 12th.

Q.—Then in 1922 the highest balance was \$1,100,000?

A.—That is right.

Q.—And in 1923 the highest balance was?

A.—\$2,200,000.

Q.—What date was that?

A.—26th May, 1923.

Q.—You will recollect, Mr. Nash, that Mr. Calvert and Whittaker in their evidence stated that the commissions to the Home Bank, paid by the Home Bank on Ontario deposits, were figured out on the balances on hand?

A.—Yes, sir.

Q.—And that in April, when payments commenced to be made it would be computed on the deposits, the balance kept on hand over a period of three or four months?

A.—Yes, sir.

Q.—Have you figured up, has the Province—someone got \$38,000 for getting deposits of the Province for the Home Bank; have you figured up on the basis of one per cent. just how much that would come to on the average balance?

A.—Without making the calculation on the exact daily balance, which would have made a great deal of work and possibly could not have been arrived at accurately, we tried at an approximate monthly balance and taking that monthly balance over the period from November, 1921, until early in 1923 on a basis of one per cent. of the average deposits, the amount in commissions would be approximately \$35,000.

Q.—\$35,000?

A.—Had one per cent. been paid upon the deposits.

Q.—And the amount paid out was \$38,000?

A.—Yes, according to Mr. Clarkson's statement.

Q.—If you had computed that on the daily balance would that have made the \$38,000?

A.—That I cannot say, sir. It would not have made a great deal of differ-

ence, I think. We tried to determine whether any one payment agreed, but the payments were round amounts and they therefore could not be arrived at with any great accuracy.

Q.—Before going on with Mr. Nash, another branch of it, would gentlemen like to cross-examine on this?

MR. FISHER: Mr. Nash was going to do a little sum for me; do you remember you had the first payment that was made or charged for interest, when was that?

A.—My recollection is in April, first week in April, 1921.

Q.—And it was suggested that you might figure when the interest would start, what date?

A.—Mr. Fisher, we were unable to do that with any degree of accuracy. We tried November and December, December and January, and various other periods, but we could not arrive at the exact amount on a one per cent. basis. There is nothing to show from what date commissions were supposed to have been paid and for that reason we could not do it accurately.

Q.—Knowing the percentage, balances, and the date when that—

A.—No.

Q.—Amount was paid, couldn't you figure when it started?

A.—No, for the reason Mr. Calvert informs me it would be unlikely that the commission, if it was a commission, was paid to the date of the 5th of April, the actual date the commission was paid, but his recollection was it covered some period of two or three months, but he didn't know what two or three months; it was therefore almost impossible to arrive at any accurate calculation.

Q.—That is to say you don't know certain information that it was paid up to the time cheque was made out?

A.—No, Mr. Calvert informs me that would be unlikely.

MR. PRICE: Was there anything else, Mr. Nash, that you were asked to produce?

A.—Well, I was asked to get the balances of the Province of Ontario account and I thought as we had produced the deposit receipts and withdrawals that the current account, which at times had considerable deposits in it, would also be of interest. This is an extract from the account of the Treasurer of Ontario in the deposit ledger of the Home Bank of Canada, Toronto branch, from the 1st of January, 1916.

THE CHAIRMAN: That is current?

A.—That is current.

Q.—The other account is the deposit receipt?

A.—Deposit receipt and withdrawals.

Q.—Which involved only large even sums?

A.—Yes.

Q.—This is the active account?

A.—That is the active account.

MR. PRICE: You produce the current account.

Exhibit 181.

Mr. Nash produces current account of the Home Bank showing all the different deposits and items and the date they were checked in and checked out.

MR. MACBRIDE: Before we get into that, what was the total paid-up capital stock of the Home Bank? You gave us a date, on the 26th of May, 1922, when the Province had two and a half millions on deposit. I would like to find out just in that connection what was the total paid-up capital?

A.—I don't think I can tell you that, sir, my recollection is something under two millions.

Q.—About \$2,000,000! They actually had more money from the Province deposited than their whole total capital stock, that is a fact?

A.—That is if my memory is correct. I could find that out for you.

Q.—It isn't a very safe place to put Provincial money.

MR. FISHER: Over \$3,000,000 in 1919.

MR. PRICE: Then you produce something else here, statement Province of Ontario Treasury Bills and bond account, taken from ledger, bond department. Mr. Fisher, you asked him if he could produce really a copy of the ledger sheets in the bond issue?

THE CHAIRMAN: Exhibit 182.

A.—This is a statement of the account in the bond department of the Home Bank dealing with the purchase or sale of Ontario Treasury Bills or Ontario bonds. It is a collection of copies of ledger sheets from the bond department and deals with every purchase and sale of Ontario bonds that were made by the Home Bank of Canada.

MR. PRICE: Now, Mr. Nash, what Mr. Clarkson produced here and filed with the Committee, the first instance, showed no items of irregularity that you have been able to find as liquidator of the bank?

A.—Yes, sir.

Q.—You have gone over these various accounts and ledger sheets?

A.—I have.

Q.—And these are now produced for the Committee?

A.—Yes.

Q.—And have you found anything in these various bond issues, record of the Home Bank, which you think should be brought to the attention of the Committee?

A.—No, I have examined these accounts and there is nothing in these accounts that I know of, from my examination, that should be brought to your attention.

Q.—Is there anything else, then, that representing the liquidator, that anyone has asked for here that you have to produce?

A.—Not to my knowledge, nothing.

Q.—Is there anything else that you have to bring before the Committee pertaining to these particular bond sales?

A.—Not that I know of, nothing except the Harris account.

Q.—That is a different thing?

MR. FISHER: Have you made any effort to trace the large bills that were given out which aggregated \$42,400, you know that item?

A.—We have only by examination of the bank records. We would be unable, Mr. Fisher, to trace those outside of the Home Bank of Canada.

Q.—As I understand it, the full amount, \$42,400 item, that has been spoken of so often, was at various times paid out in large bills, was it not?

A.—Not the whole of it, Mr. Fisher.

Q.—Not the whole of it?

A.—I think two cheques of \$12,000 and \$25,000 only. I don't know that any others were paid out.

Q.—You do know about these?

A.—Well, we find in the Home Bank records that there was a movement of legals corresponding approximately with these amounts.

Q.—Have you been able in any way to trace those?

A.—We would have no means.

Q.—There is no way you know of?

A.—No way, I think, in which we could do it; I understand the banks do not keep the numbers of their legal bills as a general thing.

Q.—Nobody has volunteered any information on that?

A.—Not to me.

Q.—You would think somebody would have noticed those bills the same as they have others.

MR. HARRIS: Will you be ready to-morrow morning to give your report on the Browning, Harris?

A.—Some time during to-morrow.

Q.—We propose to-morrow morning to put in the report of Clarkson & Co., on the Browning, Harris documents and vouchers; you remember we referred that to that firm so that they could investigate and report to the Committee. It is one of the things that will come up to-morrow, but Mr. Nash hasn't got quite into shape yet so he can be examined on it, but I wanted to clear up these facts, so members will have the information when examining witnesses to-morrow.

MR. CLARKE: Could Mr. Nash tell us anything about what we were discussing this forenoon, I think some \$42,000, and \$15,000 cheque supposed to have been made out to the Treasurer. Could you tell us anything about what this other \$42,400 was paid out for? I think there was a cheque to the Central Canada Loan. Could you tell for what that was given?

A.—No, sir.

Q.—Was there anything in the bank?

A.—No, nothing.

Q.—No knowledge would be—

A.—Absolutely no knowledge.

Q.—You couldn't find out?

A.—No.

MR. FISHER: Has there been any inquiry at the Central Canada Loan?

A.—Well, Mr. Fisher, I haven't made inquiries. I don't know whether the liquidator has or not; that would be a matter that the liquidator would—

Q.—Has the Department made any inquiries?

MR. PRICE: We made inquiries through Mr. Clarkson. Mr. Clarkson said it went into General Mason's personal account in that bank.

MR. FISHER: But it went out of there too, one cheque apparently went to the Central Canada loan.

MR. PRICE: That is one that was traced into his personal account there in the Central Canada.

MR. CLARKE: But suppose it did. As I understand it that money may have belonged to the Province like the \$15,000, and if Mason took that money and paid some of his debts I think we should subpoena these people who paid the money out and find out what it was paid for.

MR. PRICE: We can. There is no doubt we can.

MR. CLARKE: I think we should.

THE CHAIRMAN: If you want to subpoena the Central Canada—

MR. CLARKE: Any portion of this \$42,000 that was paid out, any record we have, I think these people should be subpoenaed.

THE CHAIRMAN: Well, if you want a motion.

MR. CLARKE: I will move it, because I think we ought to know what became of that.

THE CHAIRMAN: Who do you want? The manager of the Central Canada? Wouldn't it answer your purpose if Mr. Nash tried to make some inquiry. We will give them the same authority and perhaps he could do it. The reason I suggest that is, if we subpoena them we have only got a short time more. Perhaps Mr. Nash could go down this afternoon.

MR. CLARKE: Don't worry about the time. I think we should find out; that \$15,000 supposed to have been paid to the Treasury, that was only a quarter of the total amount; we have no record of the balance. We should find out where that money went and for what purpose.

MR. PRICE: That is quite right, Mr. Clarke. You don't want to confuse the two things. You don't want to overlook this fact that one cheque, \$15,000, was direct to the Province, and we searched up here to find if it did come, and we do not find it came; the other cheque was into general manager's special account in head office which the witness said here this morning—he referred to the 1¼—and that went on to the head office as other transactions did. Now Mason drew that out to cash and you have the cheques here; that is all we have on that. It was drawn out to cash.

MR. CLARKE: He gave a cheque to the Central Canada.

MR. PRICE: In the Central Canada—we propose then, as you suggest, to get the account of the Central Canada.

MR. CLARKE: Is that the only record we had as to the balance of that? I thought there were some others.

MEMBER: No.

THE CHAIRMAN: We have, \$1,200; cash, \$2,500; one Central Canada, \$1,800; one cash, \$2,500; self, \$1,000; the only one that has got any name—

MR. CLARKE: Out of \$40,000 you have only \$1,800 you can trace.

THE CHAIRMAN: The only one with a name to identify.

MR. NASH: I have not personally, but I am quite satisfied the liquidator has gone into the details of Col. Mason's personal account in the Central Canada Loan & Savings Co. I will be glad to confirm that and have the account gone into and find anything in relation to these cheques; it would be brought to the Committee's attention together with his previous report; I will confirm that because Mr. Mason had a personal account in the Central Loan Co. to which this \$1,800 was transferred.

MEMBER: Do you know if any other payments were made payable to self or cash in large amounts as represented by those cheques went to the Central Canada, to his personal account?

A.—I cannot swear to that, but I will find that out. I am satisfied that none went.

THE CHAIRMAN: On the back are specifications, the thousand one is two by \$500.

MEMBER: I quite see it was drawn out in cash, but I was wondering if investigation would show if he took it and deposited—

A.—I will be able to answer that.

MR. SINCLAIR: How was that \$25,000—

THE CHAIRMAN: Endorsed on the back, seven by 500, and then some—thirteen by 500, and one by 1,000; it is crossed out first.

MR. CLARKE: No endorsement?

THE CHAIRMAN: Nothing; that is payable to cash and on the back it is

marked thirteen by 500, one by 1,000—that is apparently the specification of the bills.

MR. CLARKE: Do we understand you then Mr. Nash will undertake to get that information I am asking about. I am not doubting the integrity of the Canada Loan?

Q.—I am certain, Mr. Clarke, we have the information for this now.

THE CHAIRMAN: Then you will procure that for Mr. Clarke in the morning.

MR. MACBRIDE: If there is any other information you can secure following up all these dollars or moneys included in the \$42,000 we would like that.

A.—We have searched everywhere for that.

MR. FISHER: I was going to say there is not much use of us bringing witnesses here not knowing what they have got to say, but it is quite evident that this whole business is, to say the least, suspicious. Now the Government has accountants, and the Government has detectives, and I think we ought to have a statement from the Government at some time that they have done everything that they can to trace those payments.

THE CHAIRMAN: When it first came up Mr. Clarkson was instructed to look into it thoroughly. He has exhausted all his efforts. Then the provincial police have been put on it generally to find out everything we can. I think everything that can be done from the Government's standpoint has been exhausted. Now any suggestion anyone can make, he will have the benefit of Mr. Clarkson's assistance, from the provincial police, or anything you have to suggest. As far as we know we have exhausted every avenue of communication for means of trying to get at it. If anyone has anything to suggest you can have the whole Government force, Attorney-General's Department, provincial police, Clarkson's, anything you want.

MR. FISHER: We might advertise for anybody receiving any thousand dollar bills.

THE CHAIRMAN: There are several of them haven't been located, yes.

MR. PRICE: I think for Mr. Fisher's benefit, I should say that this was brought to the attention of the Attorney-General, the evidence that he had indicated that there was this \$15,000 cheque at least that should have come to the Province. Therefore, I asked him and his department, and they spent 10 days on it, going back on it to find out where that item went and they have gone through the whole thing and I produced them and they gave evidence. We keep pretty closely in touch with Mr. Clarkson because he is advising the Attorney-General on these transactions and his department have done everything they could. Any time we made a suggestion there was anything that should be brought before the Committee, I immediately saw the witness and brought it before the Committee, and I don't know anything more that I can do. I cannot go down and examine these books myself. Mr. Clarkson's firm is the most reputable firm we could get to handle these things, and I assure you, Mr. Fisher, everything is being done that could.

MEMBER: Are you quite sure the Clarkson people have given all the information they have.

MR. PRICE: I think so.

MR. FISHER: Has Mr. Cuddy, for instance made efforts to trace those big bills, the \$25,000 that went to Mr. Mason?

MR. PRICE: Well, I think Mr. Cuddy has been on it. I think he has made every effort he can. I will take it up and see if he could give us any information.

Mr. Nash says that you cannot trace these bills. I don't know? The only way would be by numbers.

MR. FISHER: Inquiry amongst the bankers and brokers and different places might bring something.

MR. NASH: The clearing between banks daily is usually made in legals, payment to the clearing house. Now on the day that this \$25,000 cheque was paid there was a movement of legals in the Home Bank corresponding to \$25,000. When I say a movement of legals, I mean to say there were \$25,000 legals went out of the Home Bank in excess of the amount which went to the clearing house. Now that is all we know. I understand neither the clearing house nor any of the banks keep a record of the numbers of the legals. That is my understanding.

MEMBER: They have got scattered.

MR. GRAVES: Nobody knows where?

A.—They just went out of the Home Bank, that is all the books will show us.

THE CHAIRMAN: Some members of the Committee have given me or the Provincial Treasurer certain information that they have had reason to make them suspicious and in every case we have traced it through Mr. Clarkson and Mr. Cuddy. In some cases it has produced some result. If any member of the Committee knows anything they are at liberty to use Mr. Clarkson, the provincial police, and their confidence will be respected. I mean sometimes it leads to nothing, and other times it leads to something that has given us information that has come before the Committee and members of the Committee are here and know we have respected their confidence. Now if you know of anything, Mr. Fisher, or anybody else, that they wish investigated, we will have it run down.

MR. FISHER: I am sure I don't know of anything that will help the investigation, but I know of something I would like investigated. I would like to know where that \$25,000 went. I cannot suggest how it can be done, but it does seem these bills are so rare somebody in town must know something about it.

THE CHAIRMAN: These are rare in the country, but in the city where there are clearing houses they are not rare. If you will hand a memo, we will have it done overnight.

MR. PRICE: This morning you were asked to produce the correspondence of the Home Bank relating to this loan of \$4,000,000 and you produce a file, a letter commencing on October 23rd, the letters being dated as follows after that; November 11th, 1919; telegram, November 11th, 1919; telegram, November 12th, 1919, further telegram, November 12th; further telegram, November 12th, and further telegram, November 12th, all these being to Chicago. Telegram, November 14th; telegram, November 13th, offer of banking houses in Chicago, referred to by Mr. Fleming this morning, dated November 14th, from Harris Trust & Savings Bank, First Trust & Saving Bank, McDonald Trust & Savings, Merchants Loan & Trust Co., Illinois Trust & Savings Bank. Later to the Hon. Peter Smith, dated November 20th, letter to Mr. Smith, dated November 29th, letter to the Hon. Peter Smith dated December 2nd, 1919, further letter from the general manager to Hon. Peter Smith, dated December 2nd, and letter dated December 4th, the letter of the 4th showing the payments of the \$4,000,000,000. It is marked as Exhibit 183. I would like to just ask you some questions on this, Mr. Nash. I see the first letter, dated October 23rd, 1919, is written by Mr. Fleming to the general manager showing that he has received bonds in denominations as requested—

A.—Suggesting that the bonds—

Q.—Be in certain denominations as he suggests. On November 11th, 1919,

is a letter from the general manager which is in the other file. The general manager says:

Referring to your letter 10th inst. we are endeavouring to dispose of \$4,000,000 of bonds at the earliest possible date. We shall advise you as soon as the sale is made.

On the 11th of November there is a wire from Col. Mason to Fleming in Chicago which reads:

Cash required immediately and we must arrange for sale or loan at once stop would consider sale of all or part at 92 stop if not can you arrange loan for half issue in Chicago 50 days at six and a half stop will endeavour to arrange balance New York stop would not consider exchange first trust and savings as we must have all funds available within few days please rush wire reply.

MR. PRICE: I would point out to the members of the Committee that that was an offer practically to accept 92 where they bought at 94.

MEMBER: What date?

MR. PRICE: November 11th.

MR. CLARKE: Didn't they sell for more—they sold eventually?

MR. PRICE: Yes.

On the 12th of November, Mr. Mason to Fleming in Chicago: Will give option on whole or part issue for three months at 92 $\frac{1}{4}$ or better providing loan at 6 $\frac{1}{2}$ is granted for that period would exchange with First Trust if loan is made and we make profit on transactions. Must get this deal closed up. Party requires funds. Please keep us advised by telegram.

(Sgd.) J. Cooper Mason.

That was on November 12th. There is another on the 12th, same day, from Mason, to the same party in Chicago.

We are agreeable to 90-day option at 92 with loan for corresponding period at 6 per cent. stop cannot agree to restricting sale of balance to Canadian market will agree that if balance is sold on American market it will not be at lower stop hope you can settle this definitely would prefer you obtain option in loan for balance of issue if possible, no loan arranged here for balance.

MR. PRICE: Members of the Committee will remember that the bank placed a loan in November, New York City, for \$850,000 and they had not been able to give the balance to the Province and apparently that is why they were so anxious to get this through because the Home Bank, as you know, would hardly be able to advance the Province over \$3,000,000 out of its deposits.

On November 12th is a further wire from Mason to Fleming in Chicago.

Morrison Stimson Toronto representative endeavouring to get line on our bonds interviewed us yesterday and twice to-day we now realize he knows every move made in Chicago apparently working with parties you are trying to negotiate with in order to get into the deal do not approve of his tactics not to deal with him in any event thought you should be in possession of these facts govern yourself accordingly.

MR. PRICE: This of course was a firm in Toronto. I suppose they were trying to get in on it.

November 13th, 1919, from Mason to Fleming, still in Chicago. Your telegrams received, hope you can close whole deal with Harris trust stop if not then accept proposition of First Trust for half issue stop we are agreeable to their request for refusal half balance stop favourable opinion received from Long—

(to Committee) probably that is a party to whom they were trying to sell bonds.

—we must pay for bonds when delivery is made to us.

(to Committee) favourable opinion of Long, that is.

—we must pay for bonds when delivery is made; expect half to be delivered us Wednesday 19th balance probably Saturday 22nd. Wire result.

MR. PRICE: It will be seen by these wires, gentlemen, there was an evident hurry up by the Home Bank to sell these and they were trying to make a sale even at a lower price than they got. Then we have what Fleming referred to this morning dated, Chicago, November 15th, Home Bank of Canada.

MEMBER: Is that a wire or a written offer?

A.—Written.

“We hereby offer to loan you 88 per cent. of the par value.” (Reads) (Exhibit 183).

Home Bank of Canada,
Toronto, Canada.

Dear Sirs: We hereby offer to loan you 88 per cent. of the par value, that is \$3,520,000 with \$4,000,000 Province of Ontario Ten-year 5½ per cent. Gold Bonds, dated September 23rd, 1919, as collateral, on the following conditions;

Loan to be made within fifteen days of date hereof, and to be for ninety days on a 6 per cent. per annum discount basis, we to receive one-quarter of 1 per cent. commission for making the loan, and have an option to purchase all or any part of the bonds, during the life of the loan, at price of 92 and accrued interest, United States funds.

The \$4,000,000 bonds to be deposited as collateral are to be delivered to one of the undersigned banks in Chicago, at your expense, you to give your negotiable notes in form satisfactory to us, in such denominations as we request, but not for less than \$10,000 each.

This offer is with the understanding that these bonds are a direct obligation of the Province of Ontario, secured by its full faith and credit, you to furnish, without expense to us, the final approving opinion of Messrs. Malone, Malone and Long, and evidence satisfactory to us that these bonds are properly authorized, executed and signed, by duly authorized officials, together with the certified copies of the proceedings authorizing the issuance and sale of these bonds.

The definitive bonds to be in denominations of \$1,000 each, in coupon form, bearing interest at the rate of 5½ per cent. per annum, payable semi-annually in gold, principal and interest payable at the option of the holder in New York, or at the office of the Provincial Treasurer of Ontario in Toronto.

This offer is made for acceptance before the close of business at twelve

o'clock noon on November 15th, 1919, each of the undersigned agreeing to take an interest in proportion to the amount of bonds opposite our respective names.

Respectfully submitted.

| | |
|--|-------------|
| Harris Trust & Saving Bank, by..... | \$2,000,000 |
| First Trust & Savings Bank, by..... | 650,000 |
| Continental and Commercial Trust & Savings Bank by.. | 650,000 |
| Merchants Loan & Trust Company, by..... | 350,000 |
| Illinois Trust & Savings Bank, by..... | 350,000 |

Chicago, Illinois,

November 14th, 1919.

MR. PRICE: Members of the Committee will observe in that, that although there was an issue of \$4,000,000 Province of Ontario bonds that these people were only advancing \$3,520,000 on them by way of loan. And they wanted option for the whole term to take it at 92. That is what Mr. Fleming referred to this morning.

MR. MACBRIDE: What day was that \$4,000,000 issued?

MR. PRICE: The date was—

MR. MACBRIDE: Had they been issued before this negotiation?

MR. PRICE: No, they were just going to be issued; they were sold, but they had not been—but the Home Bank had not got cash.

MR. MACBRIDE: That is correspondence on the pending issue of these bonds by the Province?

MR. PRICE: Yes.

MR. MACBRIDE: Now have you showed when they were issued and who was present?

MR. PRICE: They were put on the market in December.

MR. MACBRIDE: There would have to be a Treasury Board meeting?

MR. PRICE: Of course that was done at the beginning when the issue was allotted; that is always done at the beginning of the thing, the authorization was there.

MR. FISHER: When were they delivered.

MR. PRICE: December 1st, 2nd, 3rd and 4th, they got the money for them. A further telegram from Mason to Fleming:—

“Prefer Canadian funds for proceeds of loan but if unable to supply these will accept American funds stop if loan proposition completed bring necessary hypothecation forms with you.”

Then on November 20th there is a letter which we have had produced in the other files from Mason to Hon. Peter Smith.

Dear Mr. Smith:—We beg to enclose herewith our cheque for \$953,539.72 being payment of the first million of the Four million dollar issue of the Province of Ontario, 5½ per cent. bonds, dated September 23rd, 1919, maturing September 23rd, 1929, in accordance with the offer made by us in letter dated September 23rd, 1919, and accepted in letter of the Provincial Treasurer of the same date. We are returning herewith two interim debentures, Nos. FF1 and FF2 each for \$500,000.

The writer expects to have the pleasure of seeing you in the course of a day or so, when he will discuss further taking up the balance of this issue. Below is a memorandum of how amount of payment herein referred to is arrived at.

Yours faithfully,

(Sgd). J. C. M., General Manager.

Then it shows how that is made up. I would point out this, that this November 20th payment was made by the Home Bank of \$850,000 which they borrowed in New York, that they had not yet sold the bonds and that they had taken the two interim debentures of \$500,000, a million dollars, and gotten a loan out of New York and with that they were able to take up this first million dollars of which the Province got on it \$944,800 paying it a price of 94.8. The other letters are all simply covering the different payments to the Province.

One on December 2nd, one December 3rd, and one on the 4th, completing the \$4,000,000 of money payable to the Province at the price.

MR. FISHER: The first letter doesn't show by whom it was, by what company, sent W. R. Fleming, manager—that would be Fleming—

MR. NASH: He was manager of the bond department, Home Bank.

MR. FISHER: Addressed?

MR. NASH: To the general manager of the Home Bank.

MR. FISHER: Well then, you find the second letter is dated November 11th, written to Mr. McGarry from the General Manager of the Home Bank. In reply to your letter of the 10th inst. Have we got that letter of the 10th to the Home Bank?

MR. PRICE: It was in on the file I produced this morning, Mr. McGarry wrote asking when they might expect the loan through. It was on the 10th and he went out on the 14th and this was the answer to it.

MR. FISHER: He had to wait a couple of months for the Home Bank to get the money to pay for an issue they had agreed to buy.

MR. PRICE: It looks like it; they could not sell it.

MR. FISHER: They were not selling agents? They made a contract to buy.

MR. PRICE: But you remember, Mr. Fisher, that they were to be delivered October 31st; that was according to the terms.

MR. FISHER: Well, November 11th, he was asking for money.

MR. PRICE: About ten days afterwards.

MR. SINCLAIR: It doesn't take that long for a deal, to get the money.

MR. CLARKE: You quote 92 as offered; is that payable in American money?

MR. PRICE: It was all American funds; you see the obligations of the bond was American funds, payable in New York.

MR. MACBRIDE: That was at a time you could not get money very fast.

MR. PRICE: (To witness) Any other evidence?

MR. NASH: I have nothing else.

THE CHAIRMAN: Just before Mr. Nash goes there is just one thing.

MR. CLARKE: Why should the Department—apparently they needed the money very bad according to these telegrams. Why didn't they take it out of the hands of the bank and put it through themselves.

MR. PRICE: I suppose there was just a change of Government, Mr. McGarry going out, Mr. Smith coming in, and Mr. McGarry has sworn he did speak to Mr. Smith about it. Mr. Smith thought he might cancel it, but apparently he did not.

MR. GRAVES: Mr. McGarry told in the evidence the other day that he, on account of them not living up to their contract, he, Smith, could withdraw the contract if he wanted to; that is right, isn't it?

MEMBER: Yes.

MR. FISHER: They were very lenient.

THE CHAIRMAN: Before Mr. Nash leaves, the Committee will remember yesterday morning he was instructed to examine Mr. Smith's account in the Bank of Nova Scotia in Stratford. After what happened yesterday afternoon do you want to continue that instruction to him or will you leave that to the Crown Prosecutor?

MEMBER: The Crown will get all that information.

MR. MACBRIDE: Oh, I don't think we want to add to it. The matter is in the hands of the Crown. I think it would be out of place.

THE CHAIRMAN: I just wanted to bring it to the Committee's attention.

MR. RANKIN: I move we withdraw the notice.

THE CHAIRMAN: It is moved by Mr. Rankin, seconded by Mr. Sinclair, that the resolution be rescinded?

Carried.

Mr. Douglas, of the Treasury Department, recalled, already sworn; examined by Mr. Price.

MR. PRICE: Mr. Heenan has asked if it has been brought out yet how much the Province of Ontario had in the Home Bank at the time it went into insolvency. The statement shows that the Province had \$1,250,000; there were withdrawals of August 13th of \$400,000 and August 16th, \$150,000. I have explained those in a statement I made at the time; \$550,000 altogether. On July 12th, \$300,000, prior to July 12th, in fact, on June 28th there was in the bank \$2,100,000 and there was \$950,000 withdrawn during that time.

THE CHAIRMAN: During the summer.

MR. PRICE: Mr. Douglas, you are familiar with the succession duty free bonds?

A.—Yes, sir.

Q.—That the Province has issued?

A.—Yes, sir.

Q.—Over a period of years?

A.—Yes, sir.

Q.—And I asked you to make out a statement showing what the Province gained by obtaining a lower rate of interest on these loans. I think I said that one half per cent. lower rate than they otherwise would have received had they not been succession duty free. Have you that statement to produce?

A.—Yes, sir, I have.

Q.—Mr. Douglas produces a statement of all the succession duty free bonds, inscribed stock, computed at the rate of one half per cent. saved on interest, what would that amount to?

A.—\$1,557,670 on those.

Q.—And if one quarter of one per cent. was saved?

A.—It would be just half that, \$775,000.

Q.—These 4 per cent. inscribed stock in London?

A.—Yes, sir.

Q.—And $4\frac{1}{2}$ per cent. inscribed stock, $3\frac{1}{2}$ per cent. issue in Ontario, $4\frac{1}{2}$ per cent. issue in Ontario, and $4\frac{1}{2}$ per cent. similar issue in Ontario, and finally $4\frac{1}{2}$ per cent. three million dollar issue. I see you have computed that for the odd years. The first one is 15 years. How do you make that out?

A.—That is the 4 per cent. in London, that is due in 1946—no, 1947, the 4 per cent.

Q.—Brings it up to what date?

A.—1923.

Q.—Your computation is from the time the loan was issued to 1923?

A.—1923.

Q.—Produced by Mr. Douglas and marked as Exhibit 184.

MR. FISHER: To make that mean anything don't you have to show what they sold for compared with bonds that are not free?

MR. PRICE: Well, Mr. Fisher, the budget speeches of all the Treasurers, the loans at that time, show that they had very great difficulty in making sales at that rate. In fact $3\frac{1}{2}$ per cent. bonds were sold over the counter as they call it in the Treasury Department and they only sold a portion of them. The rest of them would not go and they had to turn it to brokers and bankers to sell, and cost the Province considerable more. I can get comparative rates on those if you like and have them filed before the Committee.

Q.—I have asked you also to produce, Mr. Douglas, a computation on the loan, asked you to figure out rather the loss that the Province had been put to on account of the retirement of these bonds and inscribed stock, have you figured that out?

A.—Yes, sir.

Q.—Will you produce your computation? Just tell the Committee how you figured that out?

A.—A total loss, taking the substituting loan of \$6,800,000 over the amount that was retired in 1920 for the five years of this substituting loan is \$6,800,000, making a loss on that by reason of the increased interest for the five years of \$2,681,552. Then there was inscribed stock purchased here in 1921, 1922 and 1923, and the increased rate for substituting loans compared with the rates of the inscribed stock that was purchased amounts in 1921, 1922 and 1923 to \$1,405,161.

Q.—Increased rate for how long?

A.—Which is that?

Q.—That increased rate of interest, how long?

A.—Over 15 years, we increased it by substituting loan.

Q.—Is that the balance of the issue retired from the life span of the new issue?

A.—Well these were retired by funds—purchased by loans raised at an average of 6.05 over these three years, and the substituting loans we took as running for 15 years.

Q.—Why should you charge up the thing when it had some three years to go?

A.—These were long date.

Q.—How long did they have to go?

A.—1946-47 and 1965. Then on the Canadian issues, a loss on Canadian bonds and stock purchased in 1921, 1922 and 1923 compared with the increased interest of the substituting loan amounts to \$2,871,902, or a total of \$6,958,615, covering the—

Q.—Have you got the statement figured out as an accountant, showing how you make your computation?

A.—Yes, sir.

Q.—Have you statement attached to this?

A.—Yes, sir.

Q.—Mr. Douglas produces statement showing how he has figured out this loss. Produced and marked as Exhibit 184. I might say, gentlemen, when I spoke in the House on the budget I used Mr. Douglas' figures that he worked up,

and that was the basis of my statement there, and as this thing evolved from what I said in the House I produce those for the Committee to see them and have them available.

Mr. Douglas, will you also produce from the files of the Department what is known as the Bradshaw letter, dated April 18th, 1921?

A.—Yes, sir.

Q.—And Mr. Mathews' letter to Mr. Bradshaw, dated March 29th, 1921?

A.—Yes, sir.

Q.—And with the schedule attached. Marked as Exhibit 185.

Mr. Douglas produces from the files of the Department a letter to Thomas Bradshaw, dated March 29th, 1921:

Toronto, Ont., March 29th, 1921.

Thomas Bradshaw, Esq.,
c/o Massey-Harris Co., Ltd.,
915 King St. West, Toronto, Ont.

Dear Mr. Bradshaw:

Enclosed herewith please find a list showing the Succession Duty Free Bonds, indicated by a "cross." If you require any further information, will you kindly let me know.

Your obedient servant,

Encl.
CA M/M. (Sgd.) C. A. MATHEWS,
Assistant Treasurer.

That was on March 29th, 1921. On the 18th of April, 1921, Mr. Bradshaw wrote to Mr. Mathews as follows: Remember that these are bought for sinking fund and he is referring to the rate of interest that they would pay to the sinking fund.

Toronto, April 18th, 1921.

C. A. Mathews, Esq.,
Assistant Treasurer,
Parliament Buildings,
Toronto.

Dear Mr. Mathews:

Your communication of the 29th of March, enclosing a list of stocks and bonds of the Ontario Government, and indicating those which were free from Succession Duty, came duly to hand.

You have asked me to indicate to you what would be regarded as a reasonable price for the Province to pay for its stocks and bonds, which have been issued from time to time, free from Succession Duty, such purchases being for and on behalf of the sinking fund. In view of the comparatively heavy Succession Duty rates, and of the fact that the securities in question are free from them, I am inclined in the view that the Province would be justified under present market conditions, in purchasing these securities at such rates as would represent a yield of between four and four and one-quarter per cent. These securities, I know, are very firmly held, and are highly valued by their owners, because they are free from Succession Duty, and you may find it difficult to secure important offerings on a basis to yield much higher than the minimum which I have mentioned, four per cent., but even if you have to pay on that basis, I am of the opinion that it would be in the interests of the Province to do so.

Some of the securities in question are payable in London, and in such cases

payment should be made on the basis of the current rate of exchange, not on the par of exchange.

I am not quoting the exact value of the bonds in question since that information can be obtained from practically any recognized bond table, copies of which you, of course, have.

Yours very truly,
T. BRADSHAW.

T.B.J.B.

Then these are indicated as marked by cross on the schedule produced.

Q.—Were you consulted about this, Mr. Douglas?

A.—No, sir.

Q.—And you don't know anything about this except to produce the document?

A.—Just to produce the document.

Q.—I would point out to the Committee there has been quite a lot of controversy in the press and otherwise about this buying of these Succession Duty Free Bonds. The Jarvis bonds and inscribed stock were bought in the latter part of 1920 and the Provincial Securities stuff and the Hart purchases were made in 1921, early in 1921, commencing on February 11th. Mr. Mathews wrote, and the Order-in-Council was February 11th. Mr. Mathews wrote on March 28th and the answer came into the Department on April 19th, so that the Department had nothing on its files in the way of advice until April 19th, a considerable time after these deals were started. And then the advice of Mr. Bradshaw was not followed, as was evident from the letter. Would members like to ask Mr. Douglas anything on the computations?

MR. BELANGER: I would like to ask whether any computation was made as to what the Province has lost, from the loss on succession duties from those bonds?

MR. PRICE: In order to have the correct computation I filed that this morning—\$850,000.

THE CHAIRMAN: Over a period of 18 years.

MR. HEENAN: You heard the statement that the advice was asked after negotiations had started for the sale?

MR. PRICE: After the Orders-in-Council were passed, six months, and many sales been made.

MR. HEENAN: Was it received before the deals were concluded?

MR. PRICE: It was received before some of them, but the contract according to the Order-in-Council was completed as far as the Jarvis deal was concerned a year ahead, a year before; and the Provincial Securities, they were half-way through and the contract had been closed and the Order-in-Council passed.

MR. BELANGER: Will you allow me a question? You referred a while ago to the investigations that were being carried on. May I ask whether Mr. Mathews' bank accounts were looked into?

THE CHAIRMAN: No, we haven't any authority from the Committee to do it.

MR. BELANGER: Well, I just wanted to know.

MEMBER: Some investigation was made outside altogether from any order of the Committee?

THE CHAIRMAN: Yes, some members have made suggestions, and other officials have followed. As far as investigating a man's private account is concerned we have always thought we should lay some foundation for it. Even

before touching Mr. Smith's account we traced something. It is a delicate matter to go into someone's account by brute force of the Committee.

MR. BELANGER: I thought that sufficient justification would have been against Mr. Mathews on account of the damaging evidence that had been given.

MR. PRICE: Well, if you want to make a motion?

MR. BELANGER: No, just for information.

MR. PRICE: That is all the information I have to-day. Mr. Gardiner Clarke apparently is in Montreal, and is the other witness.

There were a number of brokers whom I expected to have here. They give evidence similar to Mr. Fleming, showing offers were given to the Province by a great many brokers and they could not sell to the Province at the time. Others were making sales, but I think we have had enough of that to prove that was the exact situation and it would not be necessary to bring any more of those here. Mr. Fleming was really brought because he had made some offers and he had some information. Mr. Sproule was here and examined to-day.

We will be prepared to go on all day to-morrow and put in whatever evidence is necessary to be put in, but I think we ought to get started early, say 10 o'clock, and continue right through until we are finished.

THE CHAIRMAN: Well, if anybody in the Committee wants anything let him speak now.

MR. LETHBRIDGE: Is there any likelihood of having Mr. Mathews before the Committee?

THE CHAIRMAN: Well, we have placed subpoena in the hands of Mr. Cuddy. I should fancy he will be here to-morrow if he is subpoenaed.

The Committee then adjourned until the following morning, Wednesday, April 16th, at 10 o'clock.

PUBLIC ACCOUNTS COMMITTEE

The Committee met Wednesday morning, April 16th, 1924, at 10 a.m., with Mr. Finlayson in the chair.

THE CHAIRMAN: I have just been handed this document:

"Since January 30th of this year I have had Mr. M. J. Haney confined to his bed in the Selby Hotel, suffering from Herpes Zoster, and for him to appear before your Committee to-day would be very detrimental to his health at this present time. .

"Very respectfully yours,

"(Sgd.) C. E. AMSDEN, M.D."

(Dr. C. Ethelwolfe Amsden, 2 Bloor Street East.)

Mr. Haney was Mr. Sinclair's witness; rather he was summoned on his order. I don't know what Mr. Sinclair wishes to do about it. If there is any doubt about it we could have him examined, I suppose.

MR. SINCLAIR: Well, it is certainly regrettable that Mr. Haney is not able to be here and give evidence, because from the evidence which has been given I think that he could add materially to the evidence before this Committee. When a medical man, of course, gives a certificate that he is unable to come, especially with such a disease as is named there, one is at a loss to know just what you should ask for. If it is a communicable disease we would not want him here. Whether there is another way of getting some evidence from him,

that is a matter which I may consider through the day and take up later. In the meantime—

THE CHAIRMAN: I was going to suggest, perhaps Mr. Sinclair might think it over until noon adjournment and then if you wanted someone to go and see him during the noon adjournment, it might be possible to arrange something of that kind. Mr. Haney, have you got a report from your committee?

MR. HANEY: Yes, sir.

MR. FINLAYSON: Let us have it.

Report of Sub-Committee appointed pursuant to the following motion, which was passed by the Public Accounts Committee on March 19th:

"It was moved by Mr. Price, and seconded by Mr. Doherty, that a sub-committee composed of the following members: Mr. Haney, chosen by Mr. Price; Mr. Biggs, chosen by Mr. Doherty; and Mr. Proulx, chosen by Mr. Sinclair, be appointed to examine the accounts of D. K. Ridout in connection with the purchase of Treasury Bills—Series "L"—\$10,000.00." Carried.

A meeting of the Sub-Committee was held this date.

Present:—Mr. Haney, Chairman; Mr. Biggs, Mr. Proulx, Mr. Regan, Secretary.

Mr. Ridout voluntarily appeared before the Sub-Committee and offered explanations in connection with the items outlined herein. Mr. Ridout stated that on the 20th of April the Honourable Peter Smith accepted from Mr. D. K. Ridout an offer to purchase from the Province ten million dollars of eight months Treasury Bills on a basis of $4\frac{1}{2}$ per cent. These bills were subsequently sold by Mr. Ridout to the National City Bank, New York, bringing Mr. Ridout a profit of approximately \$100,000.00, of which \$50,072.62 was placed to Mr. Ridout's current account and the balance of \$50,232.14 to his saving's account in the Bank of Montreal, King and Yonge Street Branch, Toronto.

The following is a list of payments made by Mr. Ridout from the \$100,000.00 with accompanying explanation from Mr. Ridout of the nature of each payment:

| | | |
|---------|----------------------------|-------------|
| Ex. No. | Miscellaneous Cheques..... | \$36,142 53 |
| 10 | | |

The Sub-Committee upon examination of these cheques ascertained that they are mostly used for amounts under \$100.00 and were obviously for incidentals of a personal nature.

| | | |
|-----------|------------------------------|------------|
| April 27, | Cheque to J. P. Tisdale..... | \$1,005 00 |
| May 25, | " " " | 475 00 |
| June 7, | " " " | 4,500 00 |
| | | <hr/> |
| | | \$5,090 00 |

Mr. Ridout explained that the above three cheques were used for paying of certain judgments held against him. No evidence, however, has come before the Sub-Committee as to the times when, or purposes for which, the said judgments were procured.

| | | |
|---------|--|----------|
| Ex. No. | April 21, 1923, to cash..... | \$100 00 |
| 22 | April 24, 1923, to cash..... | 150 00 |
| | April 25, 1923, to the Biltmore, New York..... | 107 15 |
| | April 25, 1923, to the Biltmore, New York..... | 200 00 |
| | April 30, 1923, to cash..... | 200 00 |
| | May 1, 1923, to the Biltmore, New York..... | 200 00 |

| | |
|---|------------|
| May 1, 1923, to the Biltmore, New York..... | 87 05 |
| May 1, 1923, to cash..... | 100 00 |
| May 10, 1923, to cash..... | 200 00 |
| May 29, 1923, to cash..... | 200 00 |
| June 1, 1923, to cash..... | 50 00 |
| June 8, 1923, to cash..... | 75 00 |
| June 18, 1923, to cash..... | 50 00 |
| June 19, 1923, to cash..... | 150 00 |
| June 25, 1923, to cash..... | 195 00 |
| June 26, 1923, to cash..... | 150 00 |
| | <hr/> |
| | \$2,214 20 |

The four cheques issued to The Biltmore, New York, as explained, were for travelling expenses and incidentals in connection with Mr. Ridout's visit to New York. It will be observed, however, that between the dates—April 21st, 1923, and June 28th, 1923—Mr. Ridout cashed cheques totalling \$2,214.20.

| | | |
|---------|--|------------|
| Ex. No. | April 30, 1923, to Ridout & Strickland | \$2,500 00 |
| 23 | May 5, 1923, " " | 2,000 00 |
| | Sept. —, 1923, " " | 3,000 00 |
| | Jan. 14, 1924, " " | 1,500 00 |
| | | <hr/> |
| | | \$9,000 00 |

Mr. D. K. Ridout explained that these amounts were paid to the firm of Ridout & Strickland, offsetting an old account owing to the firm by him and that no portion of the total—\$9,000.00—has since been repaid. The Sub-Committee required a statement from the books of Ridout & Strickland, which is attached hereto. The Sub-Committee have no information as to the propriety of these transactions.

| | | |
|---------|------------------------------------|------------|
| Ex. No. | May 7, Cheque to D. K. Ridout..... | \$5,000 00 |
| 24 | | |

Most of this money was used to pay off a loan to the Royal Bank, as shown in their statement, leaving a small cash balance of \$273.06. While this explanation is based upon fact, the Sub-Committee have no knowledge of, or information concerning, the previous indebtedness of D. K. Ridout to the said bank.

| | |
|------------------------------------|------------|
| May 9, Cheque to D. K. Ridout..... | \$5,050 00 |
|------------------------------------|------------|

Mr. Ridout explained that \$5,000.00 of this amount was loaned to Mr. Arthur H. Britton as per note, Exhibit No. 32, which is attached hereto. The Sub-Committee have no explanation of the cause for which Arthur H. Britton procured the money nor the time when note indicating the indebtedness was given to Ridout nor the reason why the said note bears no interest.

| | |
|-----------------------------|------------|
| May 10, Cheque to Cash..... | \$5,000 00 |
|-----------------------------|------------|

Mr. Ridout explained that \$3,000 of this amount was loaned to Mr. J. Walter Curry, K.C., Registrar of Deeds for the County of York, which sum has since been paid, as shown on the Bank of Montreal deposit slip, dated March 28th. The balance of \$2,000.00 was used in connection with Mr. Ridout's visit to New York, returning to Toronto with \$1,400.00. Mr. Ridout paid Cassels, Brock & Kelley this and a further amount of \$150, in full of a certain

claim, for which receipt appears on Exhibit No. 31. The note signed by J. Walter Curry was not given to Mr. Ridout until shortly after the commencement of the investigation of the Public Accounts Committee. The Sub-Committee have not had satisfactorily explained to them why the note signed by J. Walter Curry was not given until a date approximately eight months after it is alleged that the money was loaned, and further, the Sub-Committee have had no evidence of the payment of this amount to Curry.

Oct. 15, Cheque to Cash..... \$1,000 00

Mr. Ridout explained that this amount was deposited in accordance with Dominion Bank Statement, Exhibit No. 35.

Oct. 30, Cheque to J. Walter Curry..... \$500 00

\$16,550 00

Mr. Ridout explained that this was a purely personal loan to Mr. J. Walter Curry, Registrar of Deeds, and was paid on November 6th. The Sub-Committee observe that no note was made out by Curry and no interest was charged or paid.

Ex. No. May 28, Cheque to L. C. Owen..... \$10,340 68

25 Oct. 15, Cheque to L. C. Owen..... 9,862 50

\$20,205 18

Mr. Ridout states that this amount was used in buying Dominion Government Bonds as per statement of Mr. Owen attached. On October 31st, 1923, Mr. Ridout discounted the note for \$7,500.00 drawn for two months, maturing January the 3rd, 1924, and hypothecated \$9,000.00 of the above bonds as security. On December the 10th, 1923, Mr. Ridout discounted a note for \$6,500.00 drawn 24 days, the security of this being \$7,000.00 in Dominion of Canada Bonds, making a total of \$14,000.00 loan with \$16,000.00 bonds bought from Mr. Owen, as per statement of Bank of Montreal, which appears as Exhibit No. 35. On October 30th, 1923, D. K. Ridout borrowed from the Dominion Bank \$3,600.00 with security of \$4,000.00 Dominion of Canada Bonds, as per statement from the Dominion Bank, which appears as Exhibit No. 35. The above security of the above loans total the \$20,000.00 of bonds bought from Mr. Owen.

This matter is further referred to in Exhibit No. 27.

NOTE.—The Sub-Committee wish it to be distinctly understood by the Public Accounts Committee that, whilst they had before them various statements covering these bonds transactions, they were not in a position to investigate the actual holding or subsequent disposal of the bonds.

Ex. No. June 3, Cheque to A. H. Britton..... \$4,921 00
26

Mr. Ridout explained that this amount was a loan to Mr. Britton which was paid off at a later date out of a mortgage which Mr. Ridout secured for Mr. Britton.

July 27, The Savings Assurance Company, Limited. \$4,925 00

This was an advance from Mr. Ridout to that company, which amount

was repaid at a later date and deposited to the credit of Mr. Ridout in the Bank of Montreal, as per statement attached to Exhibit No. 34.

Oct. 31, 1923, Cheque to A. H. Britton..... \$7,500 00

Mr. Ridout states that this was a loan to Mr. Britton, which was subsequently repaid. In connection with the \$5,000.00 to A. H. Britton, Exhibit No. 32, this amount was to be repaid out of the mortgage which Mr. Ridout secured from Mr. Britton, he having applied for loan of \$35,000.00, and as the Standard Life who were taking the mortgage would only advance \$25,000.00, Mr. Ridout agreed to allow the \$5,000.00 which is still owing, to stand.

| | |
|--|------------|
| Sept. 14, 1923, Cheque to Mara & McCarthy..... | \$3,000 00 |
| Sept. 21, 1923, " " " "..... | 1,000 00 |
| Oct. 18, 1923, " " " "..... | 1,000 00 |
| Nov. 21, 1923, " " " "..... | 2,000 00 |
| Nov. 6, 1923, " " " "..... | 1,632 00 |
| Nov. 6, 1923, " " " "..... | 2,186 00 |

\$10,818 00

Mr. Ridout explained that Mara & McCarthy were his stock brokers and that these items were stock transactions in connection with the buying and selling of different shares, all of which transactions are shown in statement furnished by Mara & McCarthy attached hereto, coupled with the facts of D. K. Ridout.

Ex. No. May 22, Cheque to Cassels, Brock & Kelley..... \$9,559 50
28

Mr. Ridout states that this money was paid to Cassels, Brock & Kelley, to pay off a claim of the Union Bank of Canada. The Sub-Committee have no knowledge of the indebtedness as a result of which the claim was made.

July 8, Ross & Holmstead..... \$8,500 00

Mr. Ridout explained that this money was for the purchase of a summer home, the deed of which he still possesses.

Nov. 3, Cheque to W. T. Bradshaw..... \$1,000 00

Mr. Ridout explained that this was used to pay an old indebtedness in connection with his Murray-Kay connection.

June 25, 1923, Mrs. Edna M. Leavens..... \$3,500 00

Mr. Ridout states this was an advance to Mrs. Leavens, who was building a house, and the Standard Life Insurance Company had agreed to accept a mortgage on completion of said house. This was subsequently repaid by Smith, Rae & Greer, who were acting for the Standard Life.

Aug. 9, 1923, Smith, Rae & Greer..... \$2,000 00

Mr. Ridout explained that this cheque was given to the above-named law firm in connection with the Mrs. Leavens advance.

Aug. 9, 1923, W. G. Mitchell..... \$2,500 00

\$27,059 30

Mr. Ridout explained that this was for the purchase of stock as per statement attached.

Ex. No. April 20, 1923, Debit account of D. K. Ridout to
29 credit of Ridout & Strickland... \$1,000 00

Mr. Ridout explained this transaction took place before the purchase of Treasury Bills.

April 27, 1923, Debit account of D. K. Ridout revers-
ing deposit of April 26..... \$10,232 14

The Sub-Committee find that this transfer was duly noted on the books of the Bank of Montreal and would not affect his financial standing.

Ex. No. May 1, Interest on loan at Royal Bank..... \$184 87
33 Cheques payable to D. K. Ridout
from Mara & McCarthy..... \$15,472 04

These amounts were deposited to Mr. Ridout's credit at the Bank of Montreal, as shown on ledger sheet, Exhibit No. 20.

Dec. 10, 1923, Cheque to Savings Insc. Co..... \$5,000 00

This item is shown in statement attached.

All of which is respectfully submitted.

W. T. HANEY, *Chairman.*
E. PROULX,
F. C. BIGGS.

MR. HANEY: I just want to add, Mr. Chairman, that all the exhibits that we have referred to are in the hands of the Secretary of the Public Accounts Committee.

THE CHAIRMAN: Gentlemen, you have heard the very full and careful report read by Mr. Haney; does anyone wish to hear anything from Mr. Haney or the other members?

MR. FISHER: I would like to on one point. I caught these words in regard to the loan made to Mr. Curry. The Sub-Committee have no evidence of payment of this amount to Mr. Curry. Am I right in saying that while the Sub-Committee may have had no evidence, the Committee did have the evidence of Mr. Ridout and Mr. Curry?

THE CHAIRMAN: Oh, yes; Mr. Curry acknowledged getting it.

MR. FISHER: I mean the way—

MR. HANEY: We haven't any documentary evidence to that effect. That point came up for discussion in the Sub-Committee, Mr. Chairman, and I might say before I started to try and explain that point, it was the intention of Mr. Biggs, Proulx and myself to try and make this report a statement of fact and we were relying upon documentary evidence we had before us. Take the two Curry transactions; in the one we have a \$500 cheque paid to Mr. Curry for a personal loan as was explained, but we actually had the cheque to show that amount was paid by Mr. Ridout to Mr. Curry. But that transaction differs from the \$3,000 Curry transaction, because I will explain why: In that case the evidence is that Ridout went to the bank and drew out \$5,000 in cash. He states that he gave \$3,000 of that to Curry, but I submit, Mr. Chairman, that the Sub-Committee were right in noting in their report that there was no evidence. We will add, I think, with the consent of Mr. Proulx and Mr. Biggs. no

documentary evidence, insert the word. I mean in the other case it was paid by cheque and cheque produced, in this you have \$5,000 drawn and the verbal statement is \$3,000 went to Curry.

MR. FISHER: I am not casting any reflection at all on the Committee, who have done very good work, I am quite sure, but I wanted to be quite sure that this item was covered by the evidence given before the Committee. As I understand it, the fact is both Curry and Ridout swear that—

THE CHAIRMAN: As I understand the Committee draw the distinction, in one case there is a cheque for \$500, and in the other a cheque for \$5,000, and then there is a statement that \$3,000 of that was handed to Mr. Curry and a note given while the Committee was in session, by way of acknowledgment.

MR. HANEY: Yes.

MR. CURRIE: Well, I think some action should be taken in that matter. We have evidence here of money being filched from the Government right straight along under various pretences, and it doesn't seem to even have the respectability of the money getting into campaign funds. Now my view is that anybody who has by any means touched any of this dirty money, that they are unworthy to be in the service of the Crown. We have Mathews still an officer, and I know there is a great deal of diffidence on the part of the gentlemen in charge of the department, just as I would in exercising my right to dismiss him, because immediately there would be a yell raised that these men are badly handled. Now, I have no such sympathy whatever with these people who have been receiving money for their own purpose or otherwise, when it was known it was got in an irregular manner. Curry said in his evidence he knew Ridout had made this profit. That is before he borrowed the money, and Mr. Ridout explained in the same way that he did, and I think that this Committee, in order to clear the atmosphere and to relieve the minister and the Government of all the onus that some attempts will be made to cast upon it. I think it is time this Committee spoke on the matter and therefore I would like very much to make a motion to the effect. I happen to have a motion here which I took considerable time to draft, to catch these fellows that have a little bit of this dirty money, even if they did put it into their own pockets.

(Mr. Currie read a motion.)

MR. HANEY: I second that.

MR. CURRIE: That will clear the atmosphere and leave the responsibility where it should rest, on the men who got the money themselves.

MR. BELANGER: Is it in order for this Committee to make any such motion. Is that within the bounds of our jurisdiction?

THE CHAIRMAN: I believe the Public Accounts Committee is an investigating—

MR. CURRIE: Just wait until the motion is read over to you.

MR. RANKIN: Hasn't the Government already taken such action as that in an official suspension.

MR. CURRIE: No, it has not dismissed them.

MR. RANKIN: But they have suspended them until such time as they are found guilty, then their services will be dispensed with.

MR. SINCLAIR: Isn't the proper practice, that the Public Accounts Committee at the close of the sitting makes a report which it presents to the House and that report—

MR. CURRIE: That, of course, is included in the report of the Committee and recommends—

MR. SINCLAIR: I think a motion is premature at this stage at any rate. If the Committee thought wise, I am not discussing the merits of the suggestion, but it does seem to me if any suggestion should be made it should come in the report of the Committee to the House. That has been the practice.

MR. CURRIE: The recommendation is to be included. It says that this Committee recommends to the House. Now the recommendation will of course include this resolution. Quite regular and in order, but it is just quite likely some people are going to escape this investigation simply because there is nobody prepared to make a clear-cut expression of opinion of what should be done, and I think anybody, regardless of what position they hold in the Crown, if they received a gift of this money, that they should be dismissed from the service.

THE CHAIRMAN: We have the report of the special committee, let us dispense with that first.

(Mr. Haney moved, seconded by Mr. Proulx, that the Sub-Committee's report be adopted.—Carried.)

THE CHAIRMAN: That dispenses with that. May I ask one thing? I went over these accounts with Mr. Ridout; I didn't see that you referred to it here, perhaps you recollect it, the books of Ridout & Strickland were produced; did you go over them?

MR. HANEY: Statements from the books were produced.

THE CHAIRMAN: Do you remember the state of the Ridout & Strickland account?

MR. HANEY: I cannot tell you that. All the information that we had to guide us was part of the exhibits and part of the evidence already before the Public Accounts Committee.

THE CHAIRMAN: The reason I mention it is it seems to me the Committee should know the state of Mr. Ridout's finances at the time he went into this, his own account with his own firm.

MR. HANEY: I submit that was no part of the duties of the Sub-Committee.

THE CHAIRMAN: I didn't suggest it was. I thought it was within your knowledge.

MR. HANEY: We were asked to do a specific thing relating to \$100,000 profit.

MR. BIGGS: I think at one time the books of Ridout & Strickland were before the Committee, and I think they were taken back and the Committee asked to have a statement prepared off the books and that is what we worked to.

THE CHAIRMAN: A certificate of Ridout & Strickland, from their book-keeper, showing on March 17th, that is prior to this transaction with the Province, Mr. Ridout owed his own firm \$16,099.17.

MR. RANKIN: If it is in order, I move that Mr. Currie's motion be laid on the table.

THE CHAIRMAN: That would have to be by way of an amendment.

MR. PRICE: The principle of Mr. Currie's motion is no doubt correct, that anyone who has had dealings with public funds or any part of a rake-off should not be in the public service, and Mr. Mathews is no longer in the public service. Anyone else affected by that of course no doubt we would have to deal with. I would suggest that if Col. Currie leaves this motion on the table we could, when the Committee rises to-day, to-night, or to-morrow, that the chairman be given authority to include a recommendation like that in the general report, if that is satisfactory.

MR. CURRIE: People come here and they have gone and borrowed that

money and they are still in the service. Presumably that money was money to be used for campaign fund purposes. The presumption is that some of the other was to be used for campaign funds. Instead of that they put it in their own pockets—nineteen out of every twenty goes into their own pockets and one dollar goes to campaign funds.

THE CHAIRMAN: I don't understand your technical evidence.

MR. CURRIE: The idea is for the Committee to embody that in a recommendation to the Government.

THE CHAIRMAN: The desire is that this be allowed to stand until we close our work. Then it will be up to the Committee.

A. E. Nash, recalled; already sworn; examined by Hon. W. H. Price, K.C.

THE CHAIRMAN: You have already been sworn before the Committee and you are on oath.

MR. PRICE: Mr. Nash, the firm of Clarkson & Co. were asked to take the books and papers produced by Browning, Harris & Co., Morgan, Dean, Harris & Mulveney, Browning, Harris & Denman, and Browning, Harris, Mulveney, Ltd., produced before the Committee and—

MR. CURRIE: I don't think you have removed the parties that are concerned from the room when this evidence is being given. (Witnesses removed.)

MR. PRICE (continuing): Mr. Nash, you were, or your firm was requested to go over documents produced before the Committee, have you done that?

A.—Yes, sir.

Q.—And have you gone into all the papers and documents of the firm that were available?

A.—We have. We examined these that Mr. Harris produced here and went to Hamilton to the office of Browning, Harris & Denman and got all the available papers and records from their office there.

Q.—Take the first firm doing business, Morgan, Dean, Harris & Mulveney, wasn't it?

A.—Well, the first firm was Morgan, Dean, Harris & Co., it was a partnership between W. F. Morgan, Dean and George R. Harris, operated approximately between these periods, September, 1917, to June, 1920; that firm was followed by Morgan, Dean, Harris & Mulveney, Ltd. It was incorporated under Provincial charter, 14th April, 1920, and operated until approximately May, 1921. The firm is still in existence. It has not been liquidated, although its operations are practically ceased.

Q.—Now who are the partners in the first firm?

A.—The first firm was W. F. Morgan Dean and George R. Harris.

Q.—And who were the stockholders of the company?

A.—The directors, W. F. Morgan Dean, George R. Harris, William Mulveney, T. H. Hand, L. F. Stephens, George Townsend, and a number of shareholders as follows: preferred shareholders, George Townsend, Mary Townsend, William Mulveney, T. W. Hand, Ellen B. Hand, L. F. Morey, H. Stephens, Beth B. Harris, wife of George R. Harris; W. F. Morgan Dean, Mrs. Beulah Biggs, Beth B. Harris, Evelyn Harris, George R. Harris, R. F. Northey, William Mulveney. Common stock holders in addition to those already mentioned, Kitty Clarke, Lilian Ronald, L. F. Stephens.

Q.—Well, what has happened to that company; is that the company that is still in liquidation?

A.—That company is not operating but is not in liquidation.

Q.—Not operating, but there are certain securities held by the bank against advances?

A.—That is so, yes.

Q.—And when those are liquidated the object is to wind up the company?

A.—Mr. Harris informs us that it is the intention to liquidate the company.

Q.—It is not doing a general business?

A.—No, sir.

Q.—Hasn't done a general business since about the time of the Provincial Securities?

A.—About May, 1921.

Q.—The Provincial Securities came into existence before the 11th, 1921, apparently—at least the first I have here, the first deal, and the Order-in-Council was February, 1921?

A.—In February, 1921.

Q.—Now, is there any significance in any of those except the one Beulah Biggs?

A.—With that exception.

Q.—Is there any exception, anything we should know?

A.—With that exception I don't think there is, sir.

Q.—Who is the Biggs mentioned there?

A.—Mrs. Beulah Biggs, I understand from Mr. Harris, is the wife of the Hon. F. C. Biggs.

Q.—What was the holding?

A.—\$10,000 worth of stock.

Q.—Is that held at the present time?

A.—The share register shows that that stock was transferred to George R. Harris, 30th of November, 1920, and it was issued in June 1st, 1920.

Q.—Well, I don't quite follow that; that the 100 shares was transferred over to George R. Harris for a consideration?

A.—I can find no consideration in the books for the transfer of the stock to George R. Harris. The only record in the financial books of that stock is an entry in the ledger account, Frank C. Biggs, on the 1st of June, 1920, the account being charged with 100 shares of capital stock, \$10,000.

Q.—Well, then, had Mr. Biggs a trading account in the firm?

A.—Yes, sir.

Q.—And this was charged against his account?

A.—Against his account, his one account.

Q.—The 100 shares taken out by Mr. Biggs?

A.—Yes.

Q.—Charged against Mr. Biggs' account. Is that a complete statement of the account?

A.—That is a complete statement of the account in Morgan Dean, Harris & Mulveney, Ltd., books.

Q.—Well, just leave that for a minute, Mr. Nash, let us concentrate on Provincial Securities. You were asked to trace the moneys that went into the Provincial Securities. There was a profit of something like \$30,000 made out of Provincial Securities that went through the Bank of Toronto account?

A.—Yes, sir.

Q.—That is produced before this Committee. Have you been able to trace these moneys? Remember we traced them in to the account, to refresh the memory of the members of the Committee, probably we should just go back to

this. Mr. Harris said he gave \$5,000 of that money to his father-in-law, Mr. Browning, and he made a loan of \$4,000 and some dollars to Mr. Caldwell, and he made certain other payments. He didn't make them out of the Provincial Securities, but he claimed that they went back through the Browning, Harris or through—what was the name of that company at the time—through the Morgan Dean—

A.—Morgan, Dean, Harris, Mulveney.

Q.—Or through Browning, Harris, Northey? Now with that before us, Mr. Nash, will you tell us what progress you made in tracing the profit of \$31,000 out of the Provincial Securities?

A.—We show here a complete statement of the transactions of the Provincial Securities in the Province of Ontario bonds which were sold to the Province. Profit shown is \$31,831.41.

MR. BELANGER: Would you again tell the Committee at what date that was completed?

MR. PRICE: Well, the Provincial Securities Co. was given business by Order-in-Council and came into existence February 11th, 1921. It carried out all its business; apparently the last sale was June 28th, 1921. But it didn't go out of business entirely as far as the bank account shows until about August. Immediately after that Browning, Harris & Co. came in and had transactions which show—they were produced at the time—tremendous amounts of business done with the Government.

MR. CURRIE: Was that with the Government?

MR. PRICE: Yes, running up to a million and a half.

MR. CURRIE: Was Mrs. Biggs a shareholder at that time?

A.—No, not according to the share records of the Morgan Dean, Harris & Mulveney books.

MR. PRICE: I will come to that in a minute. I want just to get this, trace the moneys of the Provincial Securities.

A.—This then, as I stated, showed a profit to the Provincial Securities in these bonds of \$31,831.40. We have been endeavouring to trace all the payments made by the Provincial Securities and the deposits for money received. Owing to a great number of the records not being available, not being produced to us, we were unable to make up an exact or accurate statement of this, but we have prepared a statement showing that apart from the transactions in the Province of Ontario bonds that the Provincial Securities Co. traded in a number of other stocks and bonds and that at the end of their period of trading, according to this statement, there were bonds aggregating some \$37,000 which were purchased by them for which the payments were made through their account in the Bank of Toronto and which have not been accounted for in the Bank of Toronto account or any record of the Provincial Securities.

MR. PRICE: Let me understand, the profit made by the Provincial Securities, running about \$31,000, was used for the purpose of purchasing certain stocks of which you have a list there, and you have not been able to trace where those stocks are or have gone?

A.—That is correct, sir; yes.

Q.—Now, just read us over the list of those stocks?

A.—Grand Trunk Pacific 4 per cent., 1955's, 500 pounds; Moose Jaw 4½ per cent., 1950's, 200 pounds; City of Edmonton 1923's, 5 per cent., 600 pounds; City of Edmonton 1953's, 5 per cent., 200 pounds; City of Winnipeg, 6 per cent., 1950's, \$16,000; Alberta and Great Waterways 5 per cent., 1959's, \$10,000;

Province of Saskatchewan—I have no details as to what bonds or the maturity of these—\$4,000. Aggregating \$37,000, calculating the sterling bonds at par.

Q.—Yes, of course, if the sterling bonds were somewhat under, it would bring it down?

A.—It would not make a very great difference as the sterling bonds are only 1,500 pounds.

MR. CURRIE: Those are sterling gold bonds equivalent to gold in the States, payable in the United States?

A.—I cannot tell that, Col. Currie. It doesn't give that much information.

Q.—If they were they would be equivalent to gold.

MR. PRICE: Have you been able to trace where those various securities have gone?

A.—No, sir; we have looked everywhere we can think of in the books of the various companies and we have been unable to trace those securities.

Q.—There are no cheques out of that account to Mr. Browning for \$5,000?

A.—No payments out of that account at all.

Q.—And no payments to Mr. Caldwell?

A.—No, sir.

Q.—And have you made further inquiries to find out where this stock is that comprises the total, Provincial Securities?

A.—We have asked Mr. Harris to explain it. He tells us he is unable to explain, to give us any information about that and we have gone through the books of all these companies so far as the records were produced to us. I would like to make it very clear that all the records of these companies have not been produced to us.

Q.—Let us get at that. What is the first company? The Morgan Dean, Harris & Co., have you all the records of that?

A.—I think we have all the records of the Morgan Dean, Harris & Mulveny, Limited.

Q.—Now what company do you find records missing?

A.—First of all we haven't—there are no cheques of the Provincial Securities Co. from the 11th of February to the 30th of April, 1921. There is no ledger or cash book or other record of the Provincial Securities at all, the only record being the bank account in the Bank of Toronto and certain cheques and the deposit slips.

MR. CURRIE: Is there anything significant in that? The banks produced the cheques here, didn't they? Were there other cheques than those that were produced?

A.—Cheques for practically three months are missing.

Q.—How much was the amount?

A.—I cannot tell you that.

MR. PRICE: Will you read over to the Committee the number of cheques missing?

A.—I am now dealing with the Browning, Harris, Northey Co., the cheques missing in that account and the date of them: May 11, 1921, W. A. McKenzie & Co., \$6,939.83; May 14, Kerr, Fleming & Co., \$24,448.63; May 11, W. A. McKenzie & Co., \$1,885.40; November 1, Toronto General Trusts, \$4,909.45; Nov. 3, H. A. McCharles, \$9,805.00; Nov. 3, Bank of Nova Scotia, \$248,020.50; Feb. 9, 1922, Geo. D. Meikle, \$12,848.06; March 16, Wood, Gundy & Co., \$3,094.52; April 25, Mrs. W. A. Wildassin, \$6,169.68; July 31, Corley, Gordon, Kean & Howard, \$1,026.25; May 13, 1921, W. A. McKenzie & Co., \$2,035.08;

Oct. 27, National Trust Co., \$16,676.36; May 13, W. A. McKenzie, \$1,000.99; Oct. 27, National Trust Co., \$5,335.00; Nov. 2, Allan Francis, \$24,512.50; Nov. 24, Canadian Bank of Commerce, \$5,835.12; Feb. 8, 1922, Fred Meikle, \$3,404.96; May 2, 1922, Mrs. L. Mulhall, \$2,056.44; June 25, 1921, Cassell & Co., \$3,476.60; Aug. 17, 1921, London & Lancashire Ins. Co., \$22,469.00; May 13, 1922, Abraham & Co., \$6,906.50; April 26, Barbados Fire Ins. Co., \$13,507.50; May 30, Australian Mutual Provident Society, debit note, \$44,990; May 30, Featherson Fenwick, debit note, \$4,499.00; Oct. 31, Abraham & Co., \$6,139.07; Nov. 14, Abraham & Co., \$15,092.97; Dec. 16, Abraham & Co., debit note, \$12,440.88; Feb. 21, 1923, Abraham & Co., \$1,188.76; March 1, debit note, \$530.98; March 6, Abraham & Co., dft., \$2,749.66; May 28, 1922, London & Manchester Assee. Co., debit note, \$22,500; June 5, Cassell & Co., \$5,681.73; June 20, Abraham & Co., \$23,084.80; June 22, Abraham & Co., \$91.00; Nov. 2, Corley, Gordon, Keen & Howard, \$5,231.86; Nov. 15, Corley, Gordon, Kean & Howard, dft., \$2,193.87; Dec. 16, Abraham & Co., debit note, \$30,277.18; Feb. 21, 1923, Abraham & Co., \$1,590.02; March 13, Abraham & Co., dft., \$1,510.77.

EXHIBIT 186.

BROWNING, HARRIS, NORTHEY & Co.

List of missing cheques re purchase of Province of Ontario Bonds, later sold to Provincial Treasurer, re special accounts:

| | | | |
|-------|-----------|-------------------------------|-------------|
| July | 6, 1922, | Abram & Co. | \$42,212 02 |
| " | 6, | " | 36,176 60 |
| " | 14, | " | 1,367 50 |
| " | 14, | " | 2,102 03 |
| " | 14, | " | 83,940 77 |
| " | 17, | " | 99,294 35 |
| July | 29, 1922, | Corley, Gordon, Kean & Howard | 10,423 06 |
| " | 31, | Abraham & Co. | 6,218 32 |
| Aug. | 9, | " | 22,127 56 |
| " | 14, | " | 41,310 89 |
| Sept. | 2, | " | 41,110 08 |
| " | 6, | " | 25,158 41 |
| " | 12, | " | 84,268 45 |
| " | 15, | " | 45,308 72 |
| " | 19, | " | 5,163 17 |
| " | 22, | " | 12,871 98 |
| " | 30, | " | 77,242 81 |
| Oct. | 2, | " | 9,216 94 |
| " | 16, | " | 22,604 48 |
| July | 31, | " | 453 01 |
| " | 31, | Hand-in-Hand Fire Ins. Co. | 27,461 57 |

Additional missing cheques shown in bank pass book of which the significance is not shown:

| | | |
|------|----------|----------|
| July | 8, 1922, | \$755 57 |
| " | 31, | 500 00 |
| Aug. | 7, | 1,000 00 |
| " | 8, | 500 00 |
| " | 15, | 1,000 00 |

has the appearance of being fairly complete. Yes, they are in chronological order, alphabetical or chronological order as the case might be.

Q.—Well, what is the last record you have of Mr. Biggs' transaction?

A.—Well, in Browning, Harris, Northey, there are no ledger sheets of the transactions of Mr. Biggs.

MR. CURRIE: All missing. Have you got the cash book. The cash book would be the book of original entries. You could make up a ledger there?

A.—But some of the cash book sheets are also missing. But from the cash book sheets we have made out a list of transactions.

Q.—You have made out a partial account.?

MR. PRICE: Will you let Mr. Nash tell us what is missing exactly?

MR. CURRIE: First of all give us what you have got, and then follow that?

A.—That is, dealing with the ledger sheets of Mr. Biggs' account, they are missing. Then in the Browning, Harris, Northey books there are a number of cash book sheets missing, running all the way from 31st of January, 1922, to the 15th of March, 1923.

Q.—That is in the Browning, Harris, Northey?

A.—Yes.

Q.—Is that the limited company?

A.—No, sir.

Q.—That is the company that preceded the limited company?

A.—That is the company that preceded the limited company and succeeded Morgan Dean, Harris & Mulveney.

MR. CURRIE: That was the Hamilton organization of the Provincial Securities?

MR. PRICE: Well, they were a Hamilton organization, but the Provincial Securities was apparently organized as a blind about the same time.

A.—In that connection, relating again to the Browning, Harris & Northey books, sheets are missing all the way from May 21st to March 15th, 1923; the cash book sheets from May 21st to 31st of January, 1922, are missing in their entirety. There are no cash book sheets for that date, and following 31st of January, 1922, there are sheets missing, for instance, 63 and 64, 65 to 68, 84 to 85, 91 to 92, 104 to 106, 114 to 116, and so on down, all the numbers of missing sheets have been taken by us.

MR. PRICE: Well, just get down to the missing sheets?

A.—Yes, sir.

Q.—Have you the names in any index which show you which sheets these actually are that are missing?

A.—These are cash book sheets.

Q.—There would be no name on these sheets?

A.—No.

Q.—You will observe that these missing sheets cover the latter part of the existence of the Provincial Securities?

A.—Yes, sir.

MEMBER: Wouldn't those names be on the ledger?

A.—Speaking of the cash book sheets—

MR. HANEY: Should Mr. Nash be asked if there are any records of any transactions from which it could be shown that these missing sheets bear names of parties connected with the transactions of a certain date, I mean some other way of arriving?

MR. PRICE: As soon as I show this. On April—the Provincial Securities

ran from February 11th to June 28th, and the moneys, Mr. Harris swore, from Provincial Securities went through the Browning, Harris, Northey Co. Now with these various sheets missing over that date, and the cash book, are you able to trace these moneys?

A.—Well the moneys from the Provincial Securities did not all go through the Browning, Harris & Northey books. The Provincial Securities purchased bonds from the Browning, Harris, Northey Co., from the Morgan Dean, Harris & Mulveney Co., and purchased bonds from the—

Q.—Oh, I see, there are three ways they purchased bonds?

A.—Yes.

Q.—But the bulk of the securities which eventually found their way through the Provincial Securities were purchased by these various firms in Hamilton?

A.—Yes, sir.

Q.—And then turned over to Provincial Securities, and then turned over to the Government?

A.—That is so.

Q.—Can you tell us what profits were made by the Hamilton companies?

A.—Yes, sir; I could put in an exhibit showing what profits were made.

Q.—If we get that we will probably get identification of the various items that went into it?

A.—Here is a statement of the dealings in the Province of Ontario bonds of Morgan Dean, Harris & Mulveney Co., Browning, Harris, Northey & Co., and Browning, Harris & Co., all of which bonds on this statement were subsequently sold to the Province. This statement shows under the heading of Morgan Dean, Harris, Mulveney, Limited, the purchase and then the sale and those cases where the sale was made to the Provincial Securities, it shows the profit made by the Hamilton company before Provincial Securities handled the bonds. Then following on the Provincial Securities sold these bonds to the Government and it again shows profit made by the Provincial Securities. To make that clear, there were two profits.

Q.—Now give us the profit that the Browning, Harris, Northey & Co. made before they turned these over to the Provincial Securities. Give us the total profit?

A.—Well, the Morgan Dean, Harris, Mulveney Co. made \$2,794.56 on securities which they sold to the Provincial Securities and on these same securities the Provincial Securities on their resale to the Government made \$24,528.42.

Q.—Making a total profit of \$27,322.98?

A.—That is right.

Q.—That is just on provincial securities?

A.—That is just in one company; Morgan Dean, Harris & Mulveney.

Q.—Well, in the Browning, Harris, Northey & Co.?

A.—Browning, Harris, Northey & Co., on the issues sold by them to the Provincial Securities they made—

Q.—Mr. Chairman, and Members of the Committee, some of these sales were made direct from the Browning, Harris Co. to the Government, and others were made through Provincial Securities. I was trying to get the profit of the one company before the Provincial Securities made a profit, but they are a little mixed up.

MR. CURRIE: Did you find in every case the Provincial Securities got the cream and the other company the skim milk?

A.—No, not in this case I am going to give you. On these bonds which

the Browning, Harris, Northey Co. sold to the Provincial Securities the Browning, Harris Co. made \$23,340.91, and on the resale of these particular bonds to the Province the Provincial Securities made \$1,147.31.

MR. CURRIE.—They got the milk.

MR. BELANGER: How long had that Browning company held these securities?

A.—A matter of days.

Q.—So there would not be a large margin in the market price on these securities?

A.—I don't know what the market price is.

THE CHAIRMAN: You mean there would not be much fluctuation?

MR. PRICE: On the 11th of February, 1921, stock was bought from the Manufacturers Life, the Canada Life, by the Browning, Harris firm in Hamilton, paid with the cheque of that company, turned over to Provincial Securities and brought up here and got the money?

A.—Turned over, and from the Provincial Securities Co. to the Government.

MR. PRICE: You remember Mr. Harris swore he presented the card of the Browning, Harris, although the stock eventually went through the Provincial Securities?

MEMBER: Can you tell us what percentage that would represent?

A.—I haven't worked it out.

MR. CURRIE: That was worked out, about 20 per cent.

MR. PRICE: We could have that looked up?

WITNESS: And the complete—this statement sir, the total of all the companies, some in addition to those bonds sold to the Provincial Securities, some of these bonds were sold by Browning, Harris, Northey & Co. direct to the Province and didn't go through Provincial Securities, and such bonds yielded a profit to Browning, Harris, Northey & Co. of some \$67,000, a total profit made by all Harris' companies in the bonds sold to the Province were firstly \$93,397.85 in the Browning, Harris, Northey, or the Morgan Dean, Harris & Mulveney—

Q.—Does that include Provincial?

A.—No.

MR. CURRIE: What companies made how much?

A.—\$93,397.85. And the Provincial Securities \$31,831.41.

MR. CURRIE: Practically \$125,000?

A.—Total of \$125,229.26.

MR. PRICE: So that we can take their net profit, of the Harris companies, including the Provincial Securities?

A.—That is right.

Q.—You can see, Mr. Chairman and gentlemen, that we were not very far out when the estimate made by the department that on the Browning, Harris transactions they made a profit of \$87,429.17. This was the department's estimate. It turns out to be \$93,397.

MR. CURRIE: You were very conservative.

MR. PRICE: And all our estimates have been made just on the same basis?

A.—I think, sir, these exhibits do not show profits made on Canadian issues.

Q.—No, that is right?

Mr. Nash produces statement showing profits made by the various companies, Morgan Dean, Harris & Mulveney, Ltd., Browning, Harris, Northey & Co., and the Provincial Securities.

Exhibit 187.

A.—Supporting that statement I have the details here, purchases and the names of the firm through which those bonds were purchased in every instance.

Q.—Would you just give us where they were purchased?

A.—Taking the first, of Morgan Dean, Harris & Mulveney, Ltd.:

The 3½ per cent. 1st July, 1936, bonds, purchases were from the New York Life Insurance Co., par value \$50,000; W. A. McKenzie & Co., \$5,000; from Stuyvesant & Co., \$84,000; Arcade Fire Insurance, \$15,000; and from the National Trust, \$20,000.

On the 4 per cent., June, 1939, registered stock, from W. A. McKenzie & Co., \$4,000, par value; Chartered Trust & Executive, \$3,000; T. F. B. Walker, \$3,000; and Bank of Commerce, \$2,000.

On the 4 per cent. June, 1941's, from Shibley & Co., \$25,000; from the Ottawa Orphan's Home, \$17,000; and sterling issues, 4 per cent., November, 1947, Kerr-Fleming, 4,000 pounds; Abraham & Co., 200 pounds; London Insurance Co., \$10,000.

4½ per cent., January, 1965's, Canada Life, 12,400 pounds.

MR. PRICE: You will notice that in all of these cases purchases were made from well-known companies that held these stocks as assets and a certain value placed on them in the list of assets, and that apparently was what Mr. Harris did, or this company did; they went to these various companies and bought them up at a little higher price than they carried them on their inventories. He produced a list when he was here showing he had purchased in some cases and other cases he could not, we have the evidence of the Manufacturers Life and also the Canada Life, and there is no object in going on as long as we see that is how he did it all the way through. He just went out in these companies and bought them in the Browning-Harris and turned them over in the Provincial Securities, and on again to the Department?

MR. CURRIE: That is from his books?

A.—Taken from the books and on records that were available.

MR. CLARKE: What Mr. Price wants to convey is this, that these people should know the value of these stocks. These people came along and offered them according to their information a higher price than they valued the stock. These people knew what they could get?

MR. PRICE: They knew what they could get.

MR. CLARKE: That is what you want to convey?

MR. PRICE: It works out this way: We saw the Manufacturers Life made a profit, Browning-Harris made a profit, Provincial Securities made a profit, and then the Province—

THE CHAIRMAN: Made a loss.

MR. CURRIE: The Province got it in the neck.

WITNESS: That extended over a period, as I recollect, from February to June, those transactions, Provincial Securities, February to June.

Q.—Then it continued under the Browning-Harris firm until September, 1923?

A.—It might clear the situation a little, perhaps, if I explained that the Provincial Securities only purchased four parcels direct. With the exception of those four they purchased every parcel either through Morgan Dean, Harris & Mulveney, or Browning, Harris & Northey & Co.

MR. CURRIE: That is where they got their start, likely. Those are the first purchases, weren't they?

A.—The very first purchase made direct from the Manufacturers Life?

Q.—By whom?

A.—By the Provincial Securities.

Q.—Was that the start of the whole transaction?

A.—That was the start of the Provincial Securities.

Q.—Well, of the other transactions as well?

A.—Yes, that was the first.

Q.—First blood?

A.—First blood.

MR. PRICE: Have you told us all the documents that are missing? You told us Mr. Biggs' account was missing, second account, and you told us all those sheets in the cash book are missing. Now what other sheets or what other documents are missing? (Exhibit 188, exhibit of cash books, missing.)

A.—In the books of Browning, Harris, Northey & Co., the general ledger sheet relating to the account of A. G. Browning is missing and the account of B. B. Harris, drawing account, 1921, and R. F. Northey drawing account, 1921.

MR. PRICE: Are those the only ones that are missing?

A.—Out of the general ledger? I don't know that we could say that positively.

Q.—Are these the only ones that appear to be missing?

A.—These are the only ones that appear to be missing from our scrutiny of the ledger. The ledger was not in balance as it was handed to us, and for that reason I cannot positively say those were the only sheets that are missing.

MR. CURRIE: Could you by a process of elimination take the cash book and take the ledger entries covering that date and work back to see how much was missing?

A.—I suppose it could be done.

Q.—It would take a few days?

A.—Very long time, and the cash book of that period is missing.

Q.—The cash book is missing for the whole of it?

MR. HANEY: There is no other way you can get any more information?

A.—I don't think so.

MR. CURRIE: What bank were they banking at?

A.—Banking with the Union—Bank of Montreal.

MR. HANEY: Which firm?

A.—That is the Browning, Harris, Northey Co.

Q.—And what about the other firms?

A.—The Morgan Dean, Harris & Mulveney, I think, Union Bank.

Q.—In Hamilton?

A.—Yes.

MR. HANEY: Mr. Chairman, in view of the fact that a representative of the Clarkson firm has stated he cannot procure this information that is obviously missing, I would move, sir, that the Hon. F. C. Biggs be required to appear before the Public Accounts Committee and produce the documents referring to these transactions with these three firms, in order to give the Committee the information that cannot be procured elsewhere. I move that, seconded by Col. Currie?

THE CHAIRMAN: Mr. Biggs is here, perhaps he will volunteer some idea?

MR. BIGGS: As soon as Mr. Nash is through it was my intention to ask the Committee either to allow me to make a statement or give evidence, it is immaterial. You will get the same evidence whichever way it is done. I am quite prepared to take the stand after Mr. Nash or after Mr. Harris and tell

you absolutely everything I know from A to Z about anything in connection with the stock of Beulah Biggs, or the term it was there, or anything I know about the companies or my private business. There will be nothing withheld so far as the Committee is concerned that I know.

MR. HANEY: In view of the undertaking of Mr. Biggs to give this statement or evidence, I will withdraw that motion.

THE CHAIRMAN: Well, Mr. Biggs will be here all day until called to help you in any way.

MR. BIGGS: Quite satisfactory.

MR. CURRIE: Did you ever go and examine the bank book?

A.—Yes, you gave us authority to get copies of the bank accounts.

Q.—You have them?

A.—Yes.

Q.—Continue with what documents are missing. Have you got all these, so we will know where we are at?

A.—There were a number of missing sheets from the security ledger of Browning, Harris & Northey. By security sheets I mean the ledger sheets dealing with the various bonds that they purchased, the sheet in connection with the Alberta Great Waterways was missing, sheets in connection with the Canadian Tungsten Lamps were missing, sheets of Duluth, Winnipeg, and the Arcade first mortgage bonds, all those are missing from the books.

Q.—You mean in the ledger sheets?

A.—From the ledger sheets, and in addition the City of Calgary, Grand Trunk Pacific, Loew's Buffalo, Province of Alberta, Saskatchewan, Town of Glace Bay, Flamboro, County of Wentworth, City of Winnipeg.

Q.—Was there a separate account for all these items in the ledger?

A.—No, there was no ledger sheets.

Q.—Should there have been?

A.—There should have been, yes. We find entries relating to these bonds in the cash book.

Q.—Well, who was it bought all this stock? Was it the Browning-Harris firm for clients?

A.—Presumably for clients or themselves.

Q.—And would it be a correct thing to do from an accounting business to open an account for each one of them?

A.—That is what they did in all other cases.

Q.—So when you come to these cases, where they traded, in all these cases you have mentioned the ledger sheets are missing?

A.—Are missing, yes.

Q.—Could you say that these stocks here, having been purchased from time to time in various dates—we will say there is one September, 1921, or October, 1921, Alberta Great Waterways—there is the same charge?

A.—The sheet prior to that October 21st is missing.

Q.—Can you say when that is purchased that was purchased with money, profit, made out of the Provincial Securities, or profit made out of the Browning thing? It was really a trading and speculating account of the Browning-Harris?

A.—Yes. It might have been purchased for a client.

Q.—But this \$89,000 and the \$30,000 making \$125,000 that went into this trading account or went in as profits, enabling the company to carry on this general trading?

A.—I think that is a fair inference.

Q.—Now is there anything else you find missing?

A.—No, sir; I think I have given the list of the missing documents.

Q.—Of all the missing cash sheets out of the cash book, ledger sheets out of the ledger, the accounts of Messrs. Browning, accounts of Browning, Harris, Northey in that company. Well, they were the whole partners. They were all the partners?

A.—Yes, sir.

Q.—And you find that of them, those were the books of the company, Browning, Harris Co., the sheets of the three partners are missing?

A.—All the sheets of Browning and some of the sheets of the other partners, the tradings account.

Q.—The drawing account?

A.—Yes.

Q.—Were you able to trace this \$5,000 that Mr. Harris says that he gave or loaned. I think he said loaned to Mr. Browning?

A.—No, there is no record.

Q.—No record of that having been paid?

A.—No record.

Q.—Paid from the Provincial Securities to Browning?

A.—No record of it.

Q.—Paid from any of these companies to Browning?

A.—No record.

Q.—Paid from Harris' private account to Browning?

A.—No, I did not examine his private account.

Q.—There is no record at all?

A.—No record whatsoever.

MR. CURRIE: What about that Dr. Alonzo Caldwell?

MR. PRICE: Yes, the Caldwell account, have you any record?

A.—I would say in connection with that, when I say there is no record, there is one account we have not the bank account of Mrs. Harris. Mrs. Harris was a stock holder in the Morgan Dean, Harris & Mulveney Co. She appears as the partner of Northey and not George R. Harris.

Q.—I see?

A.—We haven't examined her personal bank account. We did not get authority to do that.

Q.—Drawings from the firm would be Northey and Mrs. Harris?

A.—Northey and Mrs. Harris.

Q.—And have you got a record there of the drawings of these partners?

A.—For 1922, but not for 1921.

Q.—Not for the time when this Provincial Securities and a lot of the buying was done of these bonds?

A.—No.

Q.—1922, could you produce what you have?

A.—Yes, we got copies of the drawings account and copy of the account of the partners in 1922. I am producing in this case the ledger, as we haven't yet had time to copy the account out. On pages 56 and 57 of the private ledger of the firm of Browning, Harris, Northey & Co. are the accounts of Mrs. B. B. Harris and Mr. R. F. Northey. These are the capital accounts.

Q.—And then withdrawals?

A.—And then current accounts or drawings account are on pages 2 to 9 inclusive, and R. F. Northey from pages 16 and on.

Q.—And were these partners drawing profits during all these transactions?

A.—Well, they were drawing, making heavy drawings.

Q.—Well, just show us some drawings that were made?

MR. CLARKE: What year?

A.—1922.

MR. PRICE: But these transactions continued on all 1922 into 1923?

A.—In the month of January, 1922, Mrs. Harris drew \$3,826, and R. F. Northey \$1,738, and in February Mrs. Harris drew out some \$700 and Northey some \$800. In the month of March Mrs. Harris drew out approximately \$3,000, and Northey drew out approximately \$1,800.

MR. CURRIE: That would show a proportion of ownership?

A.—No, I don't think we can assume that, Col. Currie, two partners drawing as they so desire.

Q.—As they require?

A.—From time to time.

MR. CLARKE: They might overdraw.

MR. PRICE: Well, the profit was there, they might have lost it in something else?

A.—At the close of the year in December, the total drawings were then transferred against these partners' capital account.

Q.—They show that?

A.—They show that.

Q.—How much did—

A.—On the 30th of December, 1922, \$13,443 was transferred against Mrs. Harris' capital account.

Q.—\$13,000?

A.—\$13,000; and \$14,747 against Northey's capital account.

Q.—That was a credit?

A.—That was the credit.

Q.—To balance up their drawings?

MR. CLARKE: Would that show any balance or profits coming to the firm after that or did they draw everything coming to them?

A.—The firm over the whole period made losses. That is, the firm over the whole period made losses; the profits they made in this respect were more than offset by losses made in other transactions.

MR. BIGGS: Bond transactions, or what?

A.—Various transactions, Mr. Biggs.

MR. PRICE: Various transactions not connected with sales to the Province?

MR. CLARKE: I understood one drew \$13,000 and the other \$14,000 as their profits at the end of the year. Then I understood our friend to say in other transactions they lost more than they made. How could they draw their profits?

A.—Well, I am coming to that now. Perhaps I should have followed that up in connection with the missing sheets and missing records. I will try to make it clear. In the months of July, August and September, 1922, and October, part of October, the Browning, Harris & Northey Co. kept what is called a Province of Ontario special account dealing with the issues maturing in 1965 and 1947. The transactions that went through this special account are not reflected in the books of the Browning, Harris, Northey Co., except with certain profits taken from the profits made on these maturities were credited from time to time to the two partners, Mrs. Harris and R. F. Northey. These two ledger

sheets, we are informed by Mr. Harris, really had nothing to do with the firm of Browning, Harris, Northey & Co., although they are the same kind of transactions as were being conducted, and the only record we have is on the ledger sheet of Browning, Harris, Northey & Co.

Q.—Were these placed before the auditor who audited the books of the company?

A.—No, these accounts were never audited by the auditor of Browning, Harris, Northey & Co.

Q.—They were never included in the transactions of the company when the regular auditors of the company went over the books?

A.—No.

Q.—Who were the auditors?

A.—Mulholland.

Q.—This is just a little separate transaction on the side?

A.—It appears to be a separate transaction over a period of three months. And it shows that on the 1965 issue the profit was \$11,375, and on the 1947 issue the profit was \$1,819.61. Those two figures of profit I have already included in the \$125,000 profit made by the companies.

MR. CURRIE: But these—

A.—These were not reflected in the Browning, Harris, Northey books as part of the profits of the firm.

MR. PRICE: Did Harris try to explain that?

A.—He offered me no satisfactory explanation of that at all.

Q.—Are these all tradings in provincial securities?

A.—I want to make it clear, Col. Price, that during this period some \$60,000, which is approximately the sum, that is the profits on these maturities went into the firm of Browning, Harris, Northey as additions to the capital accounts of Mrs. Harris and R. F. Northey. In other words, while these transactions were not reflected in the books the profits made on the transactions went to the two partners after.

Q.—Did they increase the capital of the company or the amount of trading capital?

A.—Oh, yes.

Q.—That was shown in the company, they got money from somewhere to do it?

A.—In the capital account several amounts here are the profits made on those transactions.

Q.—This separate account which you produce shows the trading account of 4½ Ontario, Province of Ontario special account, July, 1965; that is the date when this matured. Then you have another, 4 per cent. May 1, 1947, special account with Abraham & Co., New York, commencing July, 1922, and running through until October, 1922, showing that the purchases that went through on this 4 and 4½ per cent. of inscribed stock went through Abraham & Co.?

A.—Yes, sir.

Q.—And you also produce the bank book showing these various transactions?

A.—Yes.

Q.—What would be the object in anyone in a firm carrying on a brokerage business and bond-buying and selling business handling their transactions in this way?

A.—I don't know, sir. I have tried to obtain from Mr. Harris a satisfactory

explanation as to why this was not treated as part of the business of Browning, Harris, Northey & Co., and he gave me no satisfactory explanation.

MR. CURRIE: Was it then a charter company?

A.—No.

Q.—Can you give this Committee approximately the amount of stock and the cash, of bonds and cash, that appear to be missing, which there is no account there, paid out or given to someone; you have gone into the account sufficiently to know that? What is the missing amount of bonds and cash, what is the total of it?

A.—I have already told the Committee.

Q.—I know you have; give us a clear recital?

A.—\$37,000 of bonds purchased by the Provincial Securities of which I have seen no accounting.

Q.—How much cash is there not accounted for in the missing items?

A.—I don't know of any cash.

Q.—So if anybody got anything outside it would be bonds?

A.—It is impossible to give an answer to that question owing to the cash sheets being missing.

Q.—So you cannot say how much additional cash?

A.—I don't think it would be possible to make up any accurate statement of that.

Q.—Exhibit 189 from the special account with Browning, Harris, Northey & Co., with bank book attached, Union Bank I was going to ask you to produce—there are two or three that you can produce that Harris mentioned. Have you the Caldwell account?

A.—Yes, sir.

Q.—And what does that show?

A.—The Caldwell account shows an amount owing from Dr. Alonzo C. Caldwell to the Browning, Harris & Northey of \$4,050.

Q.—When did these advances commence?

A.—The first advance appears to have been made 30th November, 1921, of \$1,000; January 18th, 1922, \$200, and that advance appears to have been paid off.

Q.—Yes, that was in 1921, six months after these deals took place, Provincial Securities?

A.—Yes, and in February 9th, Caldwell is charged with some Victory Bonds and he pays for them.

Q.—February, 1922?

A.—So really the first advance that still seems to have been outstanding, 20th February, 1922, \$250; March 14th, \$200; March 30th, \$250; April 20th, apparently, according to this, advanced by Mrs. B. B. Harris, \$2,350; on June 22nd, \$1,000—or a total of \$4,050.

MR. CURRIE: Then these large advances of \$4,050 were made in April and June, March, April and June of 1922?

A.—That is right, sir.

MR. PRICE: Over a year after Mr. Harris made the money out of the Provincial Securities?

MR. CURRIE: Was, then, Mr. Harris' statement that he gave Dr. Caldwell a cheque for—wasn't it \$4,000—is not shown in the books?

A.—Well this \$4,050 is advanced from the Browning, Harris, Northey & Co. I cannot say whether that money was advanced by Harris or not. It

appears as an advance from Browning, Northey & Co., except that on the 20th April there is the notation Mrs. B. B. Harris, which is credited to her account. The inference you would draw is that Mrs. Harris advanced the money and she was credited and it was charged to Dr. Caldwell.

Q.—Has that been paid?

A.—No, \$4,050 appears to be owing on Dr. Caldwell.

Q.—No entry to show there was a note given?

A.—No entry whatsoever.

Q.—And that was a year after the transactions here?

A.—Approximately a year after.

MR. PRICE: Will you produce that, and mark as Exhibit 190?

Q.—Then you have the account of Mr. Biggs for 1921?

A.—Well I have here first of all the account of Frank C. Biggs, in the books of Morgan Dean, Harris & Mulveney, Limited.

Q.—Yes?

A.—That shows that on the 1st of June he was charged \$10,000 for 100 shares of stock.

MR. CLARKE: That is Mr. Biggs?

A.—According to this ledger, Frank C. Biggs. On the 5th of July.

MR. BIGGS: How was that paid for?

A.—I am coming to it. On the 5th of July he is credited with 300 Buffalo common, \$1,700.

Q.—What kind of Buffalo?

A.—I don't know.

MR. BIGGS: Buffalo, Loews?

A.—I understand it is Loew's theatre. And on the same date credited with 60 preferred, \$4,800; and on the 5th of July with 300, and on the 5th apparently payment, cash \$3,384.43, an amount of \$180 credited, marked commission and charged with interest, \$64.43; that closed his account for the stock purchase.

Q.—That means that for the 100 shares of stock which was valued at \$100 each, \$10,000, that Mr. Biggs paid for it by giving the company, turning into the company these stocks you have read off?

A.—Yes, sir.

Q.—And then to whom was the stock certificate issued?

A.—I don't know that; there is no record of that.

Q.—Well you did give us a statement?

A.—The stock certificate of the company, I understand, was issued to Mrs. Beulah E. Biggs.

MR. CURRIE: Do you mean to say he paid that much money and the stock certificate in this company was issued to his wife?

A.—That is as the books show.

MR. FISHER: When was that stock certificate?

A.—June 1st, 1920.

Q.—What became of that company, I could not follow the company?

A.—The Morgan Dean, Harris & Mulveney operated until May 21st, but has never yet been wound up.

Q.—And what connection is there?

A.—This connection, that the business of the company was carried on by Browning, Harris, Northey & Co.

Q.—But in a financial way did they take over any assets?

A.—They undertook certain obligations to the bank. They continued the

business and took on certain obligations which Mr. Harris informs us he agreed to take on personally.

Q.—But a shareholder in that company, would the shareholder benefit in any way from the subsequent transactions?

A.—Well, I don't know that I can answer that question.

Q.—Well, what I am trying to get at was the thing left there, the assets of this company?

A.—Well, it ended up finally in a deficit due to a large loss which they made on Beaver Truck stock.

Q.—Well, then, so far as the stock is concerned there is nothing to that, is there, or is there? Anybody holding stock in that company never got anything out of it as a stockholder?

A.—You mean in the way of dividends?

Q.—Yes?

A.—No, we cannot find any record of dividends paid.

MR. PRICE: Mr. Harris, Mr. Fisher, in his evidence, said that there was about \$116,000 or something like that that they owed in that company and that they put the securities up with the bank to liquidate whatever that amount was and that there was \$30,000 of the Harris Wood Products Company in the same position and that in order to allow the bank to do that they did not wind up the company, but allowed it to remain in existence, but they organized a new concern to carry on the business. I think that is a fair statement.

MR. PROULX: You say there are several sheets of the ledger and several sheets of the cash book missing, would there be a journal entry or a day book entry?

A.—The cash book was what we call cash journal, a combination of the two, so when I say the cash book is missing it means the journal is missing for the same time.

MR. HANEY: Do you remember mentioning a block of stock, Grand Trunk Pacific?

A.—That is one of the stocks purchased by Provincial Securities of which we have seen no account, contains 500 pounds of Grand Trunk Pacific 4 per cent., 1955.

Q.—I don't understand that; is that one of the items that we have not before us on account of the missing books?

A.—No, Mr. Haney, the Provincial Securities bought and sold Province of Ontario bonds; they also bought and sold other securities, amongst those they bought and sold Grand Trunk Pacific bonds, and there is 500 pounds of bonds which they purchased which their records do not show as having been accounted for.

Q.—I am so green on this sort of thing I don't know what you mean?

A.—I mean to say we see where the bonds were purchased, but not where they are sold.

Q.—Can you tell me how much was originally bought?

A.—Yes, I can give you that information; there was 800 pounds purchased 17th of March, 5,000 5th of April, and on the 8th of April 100 were sold, and on the 22nd of September 2,200, leaving 500 pounds of stock unaccounted for.

MR. CLARKE: What was the value of that stock, Mr. Nash?

A.—We would have to look that up.

Q.—You see your quotation is on the par value?

MR. CURRIE: What was the profit on the transaction shown in the books?

A.—I don't think we can give you that answer with any degree of accuracy. All we know is on the 17th of March Provincial Securities issued a cheque for \$7,148 which covered 800 pounds Grand Trunk stock and 500 of Ontario 3½; it doesn't say how much of it was Grand Trunk and how much Province of Ontario.

Q.—Well, from your own knowledge of prices of the stock?

A.—I have no knowledge. I never looked it up.

MR. HANEY: Just to make the thing clear you cannot say who got the 500 pounds worth of that particular stock?

A.—No.

Q.—There are no particulars of that?

A.—No.

Q.—And the whole block was purchased by the Provincial Securities and sold to whom?

A.—3,100 pounds sold, April 8th, to the Mulveney Company.

Q.—Having in mind the dates and the record of this transaction as you have it, do these records bear any resemblance to the sheets missing with relation to the Hon. F. C. Biggs?

A.—Oh, I cannot tell you that. This is in the Mulveney Company we are discussing now.

MR. PRICE: Those were in 1922?

A.—These are 1922.

Well, continuing with the account of Frank C. Biggs in the Morgan Dean, Harris & Mulveney, on the 20th of October he is credited with the proceeds of \$5,000 of Victory Loan 1934's at 92, and on the same date he is charged with the purchase of \$5,000 Canadian Tungsten Lamps second mortgage bonds. In 1921, January 3rd, he is charged with the purchase of 5,000 pounds Grand Trunk Pacific 4 per cent. 1955's, and on the same date he paid for them by cheque.

MR. CURRIE: What amount?

A.—\$4,344.32. On the 1st of February he is credited with the sale of 5,000 pounds of Grand Trunk Pacific 4 per cent. bonds, \$15,660.66, making a profit on that deal of \$1,316. And on the 1st of February, the same date as he sold those, he is charged with the purchase of \$16,000 Province of Ontario 6 per cent. 1941.

MR. CLARKE: As I understand it, this is a man going into a broker and buying and selling stock?

A.—I am reading from Mr. Biggs account in the Mulveney ledger.

Q.—But Mr. Biggs buying and selling \$5,000 of bonds, that is just like a private individual going into a broker and selling it. There is no connection with the other deal?

A.—It is in the ledger account.

Q.—An ordinary transaction he might have made with any company?

A.—Oh this is a stock transaction. On the 1st of February he purchased \$4,000 Province of Ontario 6 per cent. 1941's. That closes his account for which he paid by draft. That closes his account in the Mulveney ledger. Now in the Browning, Harris, Northey ledger there are no ledger sheets relating to the account of Mr. Biggs, but from the cash book of the company we have tried to construct an account. The credit items that we have been able to trace through the cash book amount to \$63,752 and the debit items \$39,765.08, showing an excess of credits over debits of \$23,987, about which I have no information

whatsoever. I don't know what it means or anything. It simply doesn't balance because the cash book sheets are not there and the ledger sheets are missing. In the Browning, Harris, Denman Company there is another account missing, 4th April, 1923, which shows in addition to some smaller transactions in coupons, a purchase on the 7th of December, 1923, of \$20,000 of C.N.R. purchased from him, and \$20,000 Canada Steamships, 7 per cent., 1942, at 95.

Q.—Bought from Mr. Biggs.?

A.—Bought from him.

And sale to him of 40,000 C.N.R. 1950's at 50.

MR. CLARKE: That fixes the price of your Grand Trunk?

A.—This is 1923.

Q.—But somewhere around 50 or 60?

MR. PRICE: Was that Grand Trunk stock?

A.—That was C.N.R.

Q.—You were inquiring about G.T.P.?

A.—It is not the same security.

MR. CURRIE: No, they are not the same; altogether different.

MR. CLARKE: He sold Steamship preferred and bought C.N.R.?

A.—On the 31st of January, 1923, it shows he sold 10,000 Province of Ontario 6 per cent. 1941's for \$11,000 and purchased some ten thousand 1943's, 6½, at par.

Q.—Is that account balanced?

A.—The balance, 15th February, 1923, shows an amount of \$110.10 owing from Mr. Biggs.

Q.—1924?

A.—Yes.

MR. HANEY: In regard to these missing sheets, with whom did you come in contact when you went about procuring all the documents?

A.—We went down to Hamilton and we requested Mr. Harris to have the whole staff of his office, which he did, and Mr. Harris gave us assistance in looking for these things. We went through the files. We went through every filing cabinet and every drawer and desk in the office, with the assistance of Mr. Harris and his bookkeepers, and we were unable to find any more than we—

Q.—Did you know when you were there that there were certain parts missing, certain pages?

A.—When Mr. Harris produced his records here, first of all they were incomplete. We found a great deal more in Mr. Harris' files than he produced here to the Committee, but we did inform Mr. Harris that there were more sheets and more records that we wanted, and we detailed to him those that were missing, and he has been unable from what he stated to us, to find them or produce them.

Q.—Did he offer you any explanation as to the whereabouts of those missing sheets?

A.—None whatever; he said he could not understand it.

Q.—Did you inquire from any of the members?

A.—We inquired from his partner, Mr. Denman, and from the bookkeeper. Well, I don't think Mr. Browning—

Q.—Did anybody give you any information at all about them?

A.—No, he didn't know anything about them.

Q.—Each of them said they did not know anything about them?

A.—Did not know where they could be.

MR. HANEY: Were all the books loose leaf?

A.—The books of the Browning, Harris, Northey & Co. are loose-leaf.

Q.—There were some missing from them?

A.—Yes. The books of the Mulveney Co., I think we got everything we wanted.

Q.—And what was the other, Browning, Harris, Denman?

A.—We did not find anything missing, but Provincial Securities no books or records whatever.

Q.—But are there any books torn away from their bindings out of which any pages have been torn?

A.—Not that we saw. They were all loose-leaf books with the exception, I think, of one and we did not find any missing sheets in that book.

MR. PRICE: Mr. Nash produces account of F. C. Biggs commencing in 1920 from the Browning, Harris, Mulveney, ending at February, 1921, also cheque to Mr. Biggs, 1st of February, 1921, of \$15,660.66, Canadian Bank of Commerce; Browning, Harris, Northey & Co. statement showing the transaction as relating to Mr. Biggs' account for 1922 and 1923, as well as they can do it, having reconstructed the account without there being any ledger sheets to work with, and also a statement of Browning, Harris & Co., Denman & Co., for 1923, to February 15th, 1924.

MR. CURRIE: How much did you say that large balance?

A.—Some \$23,000. I don't think that \$23,000 is necessarily an important figure, because there will be items on both sides missing.

Exhibit 191.

Q.—How, credit or debit?

A.—Credit. That is to say, credits are greater than the debits to the extent.

Q.—Are there other items you can bring before the Committee? Account of the Provincial Securities on which Mr. Nash has given evidence, produced and marked Exhibit 192. And the cash book and the private ledger of Browning, Harris & Co., produced and marked as Exhibit, showing drawing account of Mrs. Harris and Northey, profits of these transactions.

A.—I have here a statement similar to the statement I put in before of the purchase and sales of all the companies in the Province of Ontario bonds. This is a statement dealing with those which were not resold to the Province, showing that there was a profit over all companies of \$9,903.

MR. PRICE: Then on those transactions where the sales were not made to the Province over the same period there was a profit of \$9,903?

A.—That is right.

Q.—And the total trading account was?

A.—\$1,394,000.

Q.—\$1,394,500, on the other trading account, a million and a half, there was a profit of around \$90,000?

MR. CURRIE: Making a total of?

A.—\$125,000.

MR. PRICE: Then, produced by Mr. Nash, statement that shows what these same securities would bring in ordinary trading. What was the next, Mr. Nash?

A.—In going over the accounts of Browning, Harris, Northey & Co., as I have stated previously, there was no ledger account of A. G. Browning in the books produced to us, and in examining entries affecting his account on the

30th of December, 1921, the security ledger showed a purchase from him of 6,000 pounds of Duluth, Winnipeg and Pacific registered stock for \$23,360, and on the same day a sale of the same stock for \$17,520, resulting in a loss to the company of \$5,840. On the 20th December, 1921, the security ledger of the Browning, Harris, Northey Co. showed a purchase from Mr. Browning of 6,000 pounds of Duluth, Winnipeg and Pacific registered stock for \$23,360; that is, it shows that the company purchased that from Mr. Browning for that money, and that on the same date they sold the stock for \$17,520, resulting in a loss to the company of \$5,840.

Q.—On the same day?

A.—On the same day. The transaction appeared to be unusual and I pressed Mr. Harris for an explanation and he was unable to give me any satisfaction except that the entry really did not mean anything at all.

Q.—Did you make anything of it yourself?

A.—I would be theorizing if I made any.

Q.—Well the rest of us have to do that?

A.—Perhaps Mr. Harris —

MR. CURRIE: What amount of par would those be quoted at in both cases?

A.—I don't know.

MR. HANEY: I am going to ask Mr. Nash what his theories are about a transaction like that?

MR. PRICE: Would you ask him what from his experience as an accountant over a period of years, what that transaction would indicate?

MR. HANEY: Consider that question put?

A.—It would indicate that the company desired to show a loss of \$5,840.

MR. CURRIE: In other words they were presenting Browning with that much cash?

A.—I would not like to say that, Col. Currie.

Q.—Well, would it go through the books as a loan in that way?

A.—It resulted, undoubtedly, in a credit to Mr. Browning of \$5,840.

Q.—And a loss to the company?

A.—And a loss to the company.

MR. BIGGS: The Committee is going to break up; will you allow me five minutes to make a statement.

MR. HANEY: I object. I think there are a few more things we would like to hear from Mr. Nash before we finish and I incidentally have some things we want to secure.

MR. NESBITT: Out of courtesy to Mr. Biggs, I think he should be given an opportunity to make a statement.

MR. PRICE: I would say this, that this witness, Mr. Nash, of course, is here and can come again and he is at the disposal of the Committee to answer any questions that you want. There is no doubt other information we have got to get from him, that would satisfy Mr. Haney.

MR. BIGGS: I don't wish to crowd the witness out at all.

MR. PRICE: In the meantime if Mr. Biggs wants to make a statement—

THE CHAIRMAN: Mr. Nash is Mr. Clarkson's accountant.

MR. HANEY: One question I want to ask, if Mr. Biggs will allow me: To whom did this block of stock go, the other entry? You say it was paid, went out?

A.—This is shown as a loss.

Q.—But I want to know who got it?

THE CHAIRMAN: There is no record to show.

MR. CURRIE: Who bought it, and who made the profit out of the loss?

THE CHAIRMAN: It shows a credit to Mr. Browning?

A.—And a loss to the company?

Q.—It is merely a bookkeeping entry?

A.—That is what it appears to be, yes.

THE CHAIRMAN: Which resulted in a loss to the company and a credit to Mr. Browning?

MR. BIGGS: I am prepared—I will be here all afternoon and ready to give evidence any time, but I just wanted to make a statement.

Hon. F. C. Biggs, sworn.

MR. BIGGS: The principal reason, Mr. Chairman, that I want to make a statement at the present time is in connection with the owning or purchase of stock in the Morgan Dean, Harris, Mulveney Co., where my wife's name has been brought into question, and I am not going to take very much time. The other transactions, I will be here any time. I am available at any moment to-day. Now I can commence. In the first place, Mr. Chairman, any transactions with Morgan Dean, Harris & Mulveney; Morgan Dean, Harris & Browning thing—I can't keep them straight—Browning, Harris & Northey, Browning, Harris & Denman, have been absolutely clean. I have been doing business with these firms and partnerships, if my memory serves me right, since about 1910 or 1911, privately doing business the same as any other gentleman in this room is doing business with the brokers.

I became associated more particularly with Mr. Harris during the Victory Loan Campaign, when he was Victory Loan campaign manager for the County of Wentworth, and I was chairman of my township—very glad to have that honour—through all these campaigns which were very successfully put over in the County of Wentworth. When the Morgan Dean, Harris & Mulveney was formed I had been doing business with the partnership firm. I was approached by a couple of gentlemen who were later directors in the company to put some money in the company.

MEMBER: Who were they?

A.—Mr. Harris, Mr. Morgan Dean, I think, if my memory serves me right. Probably through poor discretion at that time—I know very poor business judgment—I bought \$10,000 of stock in the company, which was paid for as indicated here this morning largely by Buffalo Loew's theatre stock, which I held in my own right at that time. I am not certain, I also had some Hamilton Loew's, both preferred and common, and my memory doesn't serve me as to whether any of that was involved or not, but I know some Buffalo Loew's was, and I believe a small balance was paid for by cheque in that transaction. Through reasons which are private between my wife and myself the certificates were written out in her name. I don't see any great sin in that whatever. That is my own business. They are there to show for themselves. I believe that was, if my memory serves me right, say early in June, 1920.

Along during that summer the directors of that company or those in charge of the management, became involved in the Beaver Truck organization and during that period the Beaver Truck made heavy losses and the Beaver Truck subsequently, on account of those losses, pulled down the firm of Morgan Dean, Harris & Mulveney with the Beaver Truck firm.

MR. CURRIE: Did the Beaver Truck Co. sell any trucks to the Ontario Government?

A.—I believe the Beaver Truck Co. did sell a couple of light trucks to the Government during my period of office, maintenance trucks.

MR. PRICE: At that point, I think I recollect something happened in the House a couple of sessions ago whereby it was stated you were a director?

A.—I am very glad you brought that up, Mr. Treasurer.

MR. CURRIE: Take up this truck thing later on?

A.—Now we will go on with this; this stock was bought early in June, as I say.

MR. FISHER: June of what year?

A.—1920.

Q.—After you held office?

A.—After I held office, and I say it may have been poor discretion to buy in that company at that time, but I want to draw the attention of the Committee that that company was not doing business in any shape or form with the Government with bonds until after the stock was out of our possession, my wife's possession—some three or four months after the Beaver Truck made the loss.

MR. CURRIE: When did the Beaver Truck make the loss?

A.—During the summer of 1920.

MR. PRICE: The evidence here is that was transferred over to Mr. Harris, but there doesn't appear to have been any payment of money?

A.—I will explain that.

Q.—You didn't give it to Harris?

A.—I transferred the stock, or my wife transferred the stock, to Harris for this reason, Morgan Dean, Harris & Mulveney were in a state of liquidation. It failed, or in other words, they had more debts than they had credit. That was brought to my attention by the directors of the company. I looked to see that company wound up in the near, immediate future, and I didn't, as a Minister of the Crown, wish to have my wife's name mixed up in the winding up of any company that was defunct, and that stock was transferred to Harris without consideration because the stock was not worth anything at that time whatever, when the stock was transferred.

Q.—When was that?

A.—In November, 1920, if my memory serves me.

Q.—Bought in June, 1920?

A.—Yes.

Q.—For \$10,000 cash?

A.—Yes.

Q.—And you let it go in November?

A.—Yes.

MR. CLARKE: That was a clean loss?

A.—That was a clean loss as far as my family was concerned.

Q.—How much?

A.—\$10,000. Only in this way, this firm, I understand, or the partnership that followed this firm, between which there is absolutely no connection of any kind or description; the one was a joint stock company under Provincial charter and the other company is a partnership —

Q.—Which was the partnership?

A.—The Browning, Harris & Northey that followed it was the partnership, and they did not in any shape or form work under the charter of the original company, and they certainly could not use their money, because they had more debts than they had resources, so there was none of the money went in the

company. But the partnership as I understand it took over certain liabilities with the bank, or attempted, or tried to liquidate certain securities the original company had invested at the bank and took over the liability and the good will of the company, if there was any good will left.

Q.—Took over the clientele?

A.—Certainly, good will.

Q.—And your account?

A.—Certainly, it went on through.

Q.—Did you get allowance for this \$10,000 you—

A.—I got absolutely no allowance at any time from that on, nor did my wife ever get one cent of dividend or repayment of original investment.

Q.—Or any of the other companies?

A.—Or any of the other companies in any shape or form.

Q.—What was done with the shareholders of that company? Were they wiped out?

A.—No, the shareholders of that company are still shareholders of that company because the company has not been formally wound up, therefore the partnership following it or the company following it cannot use their charter nor become the same company, because they have not been wound up, as I understand, and I have inquired several times, because I hope some time when these assets are liquidated, that the original shareholders may get some money and I might get a portion of my, or my wife's, \$10,000 back. That has never happened yet and that company stands defunct, but not in the hands of a liquidator, because they have been trying to realize on the assets deposited with the banks. I want to make it emphatic again that at no time did that company ever pay a dividend nor, until after my wife's stock was out of that company, did that company do one dollar's worth of business with the Provincial Government in any shape or form, for some three or four months after. Absolutely! I have had no connection in any shape or form with the two partnerships that followed. I have done business with them but, Mr. Chairman, I am exceedingly sorry that the statements or ledger of my account in the Browning, Harris & Northey is not here, because you will find it runs just the same as it did.

MR. PRICE: We haven't it here so as to see.

A.—Well, I can tell you, and I think the Committee will believe what I say on this matter. But you will find my transactions, my bond transactions, through the period of Browning, Harris & Northey, have been similar bond transactions as they were with the original company of Morgan Dean, Harris & Mulveney, and also with Browning, Harris & Denman later.

Q.—What did you make on them?

A.—What did I make?

Q.—Did you make any profit?

A.—I made profit at times, yes, certainly. There is one transaction, C.N.R. bonds, shows a profit of twelve or thirteen hundred, a transaction of Ontarios that shows a profit of a thousand dollars, but in these transactions the Ontarios were sold, and Ontarios are worth 108 or 109. I bought those at the time of the issue and paid for them, and I sold them very recently and bought Keefer Realty.

MR. CLARKE: I think you were foolish?

A.—Yes, I have done a lot of foolish things in my life. I think everyone has. I don't know what further statement I can make. I will be here all afternoon.

Now, the Honourable Treasurer has brought up the question that Mr. Dewart. I think, brought to the attention of the House some two or three years ago—I don't remember which session—that I was a director of Beaver Trucks I emphatically denied that at that time. I may say, I think I can explain how that was.

Q.—Are you a shareholder?

A.—No, sir, never was, only indirectly.

Q.—Indirectly, how do you mean?

A.—Naturally the money I put in Morgan Dean Harris, the money that I put in the original company was invested in Beaver trucks by the directors of that company, and I was not a director nor had anything to do with the guidance of the investment.

MR. CURRIE: Who got them to?

A.—I don't know. I don't know anything about the internal.

Q.—Were you one of those men that went to the Harris firm and got them to underwrite?

A.—No, nothing to do with it.

Q.—What happened?

A.—There was a reorganization in Hamilton and it failed, I believe, recently again.

Q.—Any interest in it then?

A.—Not a dollar's worth in any shape or form. I think the reason my name came out on the prospectus, or advertisements,—I was approached by the Beaver Truck people to take stock directly in the company, and when I did not give them a definite answer at that time they said, if you will take stock in this company we will make you a director. They came back to me later again and I refused to take any stock in the company then nor have bought a dollar's worth since, but in the meantime to try and make it look good to me they got out a prospectus, with me as a director of that company; I never had a dollar's stock in the Beaver Truck in any shape or form. I never was a member of the company. And I have taken pains to go through the Provincial Secretary's Department of the year in question in Beaver Truck and my name does not appear as shareholder there or any member of my family, and I may say, sir, that a lot of my friends have because they have taken about \$150,000 out of my immediate community.

MR. CURRIE: What about this food company up at Dundas.

MR. HANEY: Before you go on with that. You said your wife gave this \$10,000 back to Harris?

A.—Transferred to Mr. Harris.

Q.—For nothing?

A.—Yes, sir, because the company was defunct.

Q.—Did you mean by that your wife severed her connection with the organization?

A.—Absolutely so, as soon as that certificate was turned over.

Q.—How do you harmonize that expression with the fact that you said you hoped some day to get something back out of the \$10,000?

A.—Because, I think the company is honest enough to do that if there is ever any settlement made. We have no claim.

Q.—Moral obligation?

A.—There is our name on the stock certificate.

Q.—You said they lifted \$100,000 out of your friends?

A.—Oh, a different company altogether.

Q.—What bothers me is some of these wise acres back here in the Committee know it all, the whole thing. The more I hear about Morgan and Browning it seems to me they are the one and the same, continued in the same way.

THE CHAIRMAN: There is no doubt there is a lot of continuity.

MR. CURRIE: What about this food company that Mr. Harris the other night loaned four or five thousands to.

Q.—Well, that is a matter that I know nothing at all about, sir, only what I heard brought up in Committee.

Q.—Were you interested in that at all?

A.—No, sir.

Q.—Not interested in any of Caldwell's companies?

A.—No. I am not interested in any of Caldwell's companies at all. Mr. Caldwell sold out some years ago what was known as the Caldwell Food Co., but I don't think it ever had any connection with this Food Products. He sold out to a gentleman by the name of Motherwell, a young Scotchman, sold out perfectly clean to him and he paid for it. Motherwell later on was not successfully operating the company and became involved in the Canadian Bank of Commerce, Dundas, seriously involved, and they took over all Motherwell's assets and Motherwell was operating under the name of Caldwell Food, he didn't change the name of the company. The bank took over all Motherwell's assets and realized as best they could on them. A new company was formed at that time and bought the assets of the Motherwell Food Co. under the name of Caldwell from the Canadian Bank of Commerce, and I belonged and was a shareholder in the organization that bought the assets of the Motherwell Company, and carried on for some time in the food business approximately a year, and, I should say, the company was going along splendidly making good headway and it was just in the fall of the year and through some mismanagement of the superintendent he got the grains mixed up and the place ended that there was a fire which partially destroyed it. The unfortunate part was that we had been operating slightly less than a year and the insurance policy on the business was same insurance policy as we took up for a standing concern. It stayed for some time in the bank's hands. We had been making application for \$40,000 increase of insurance, the policy was written and would have been delivered next week but the fire occurred too soon. I can produce all these policies.

Q.—What time was that?

A.—That was in the fall—I am speaking from memory—I think 1921, yes.

MR. GRAVES: You say the fire occurred too soon, and the way that might be taken, I know you don't mean it?

A.—I was joking. I will put it that the fire occurred before the new insurance policies came in force.

MR. GRAVES: I knew that.

Q.—What happened to all the shareholders of the original company?

A.—They all stand exactly in the same position with their stock.

Q.—You found this company getting involved in difficulties and then a new company incorporated, Browning, Harris, Northey & Co., taking over all the business, getting all the clients and running it; weren't you going to do anything with the old shareholders of the company that failed on its obligations, and were carrying the load?

A.—My holdings and my wife's holdings, which is the same thing, were

out of the company before the final settling up. I was not on the board of directors, but there is some understanding between the old charter company and the new partnership, there is some understanding. Now, Mr. Harris or some of those directors could give that to you, but I am not in a position to give it.

Q.—There is an understanding that the Browning, Harris, Northey Co. would help to pay up the losses of the original company?

A.—I believe something of that kind.

Q.—And then this business that the Browning, Harris, Northey Co. did, any business they did would help pay the original company, the original shareholders?

A.—It would seem that way, but it doesn't seem to have worked that way.

Q.—But you are all hoping it will work that way?

MR. GRAVES: Was it because of unfortunate business that they went in after provincial bonds?

A.—No, a year before they ever sold any provincial bonds.

Q.—This money that you made out of Browning, Harris, Northey Company.

A.—I didn't make any money.

MR. CURRIE: If it had been properly handled and cared for would have gone to help out the other companies, you said, now did you introduce Harris to Hon. Peter Smith?

A.—No, sir.

Q.—We don't seem to have had anybody who introduced him to the Hon. Peter Smith. Did you come down here with Harris and go up to Mr. Smith's office?

A.—No, sir, I was never in Mr. Smith's office with Mr. Harris.

Q.—Are you quite sure?

A.—I am quite sure about it.

Q.—That is a very important thing! You knew that Browning, Harris, Northey & Co. was carrying on business with the Province?

A.—I did after a considerable period.

Q.—But you were there. You know this Provincial Securities Co. were carrying on business because you were at the council meetings that passed it?

A.—Yes, sir.

Q.—Well, didn't you know the connection between these two companies?

A.—No, sir, I didn't at that time know the connection.

Q.—When did you get to know that?

A.—I cannot tell you off hand.

Q.—When did you get to know the Provincial Securities and Browning, Harris, Northey were one and the same thing?

A.—I cannot answer the question definitely. It became my knowledge—it is back over a considerable period.

Q.—It has been carried on, writing in the department?

A.—It was not carried on in my department.

Q.—You might not know about it but it was being carried on?

A.—I cannot answer that question in any form at all.

Q.—Did Harris tell you the nice profit you were making on this?

A.—No, sir.

Q.—You were an old friend and you dealt through the Government! Don't you think Harris would tell you?

A.—I don't see why Harris should tell one of his clientele what business he is carrying on with the Government.

Q.—You were more than a "clientele." You were a man who had lost \$10,000 or your wife, \$10,000 in the original incorporation and you hoped to be recouped, wouldn't it be natural for Harris to thank you and the Government for giving you this nice business?

A.—He might thank the Government but he cannot thank me. It was not my department nor was I associated in any shape or form.

MR. HANEY: You signed the order-in-council?

A.—I didn't sign any order-in-council.

Q.—You were in when it was passed?

A.—Quite so.

THE CHAIRMAN: The order-in-council was signed by the Premier, but Mr. Biggs was present?

A.—That is so.

MR. HANEY: But all sitting around the council table, doesn't it mean—who accepts responsibility?

A.—Along with other members of the Government.

Q.—You are not trying to get out of it?

A.—Not at all.

MR. CURRIE: What did he say to you when he was in your office that day?

A.—Who?

Q.—Harris. Did he tell you he had an order?

A.—He was not in my office that day, what are you coming at?

Q.—I thought you said just now.

A.—Not at all.

Q.—What was the name of this Caldwell firm?

A.—Caldwell Food & Milling Co.

Q.—Who is Mr. Caldwell?

A.—He is a gentleman who I think was born in the city of Galt, educated in the public and high schools, went through university, was a dentist.

MEMBER: What church does he attend?

A.—I think he is a Presbyterian and he is opposed to Church Union. If you want to know, Caldwell is a Canadian, went to the university, practised for years in the dental business in Dundas, filled my teeth some years ago, and later he branched out into the fruit shipping business, which was known I think as the Wentworth Orchard Co. with headquarters at Waterdown, or Burlington. From that he branched into the food business.

Q.—What kind of food?

A.—Apples, plums and jams.

Q.—What politics was he?

A.—Well, sir, I cannot swear to that.

MR. CURRIE: Oh, you know?

A.—Probably you want his pedigree. And he went into the canning business. Dr. Caldwell went into the food and fruit canning business in Waterdown. He sold out in Waterdown last year to the new canners amalgamation and at that time his head office was in Hamilton, with plant in Waterdown as I remember. These are in my own county. And he sold out to the canners, Dominion or Canadian, I don't know how the amalgamation runs, and that fall, last fall, established a small canning business in Dundas which he still, I

suppose, is operating, I don't know how extensively—will be when the fruit comes on anyway.

MR. HANEY: I have some information I want to get Mr. Biggs and you make a sentence and pause to see what the effect of it was, and I would interject the question I have in mind. When he is all finished, I want the right to proceed.

THE CHAIRMAN: Certainly, Mr. Biggs has asked to make a statement and I propose he will be made to answer.

A.—I think that brings Dr. Caldwell up to his present position as far as the canning business is concerned. I understand his connection with the Caldwell Food Company, which he sold out to Motherwell—the business burned up, the company was wound up and my original investment was in that company and is still vested in the ruins of the fire.

MR. CURRIE: \$5,000.

A.—Yes.

MR. NESBITT: What year was the fire?

A.—I think it was late in the fall of 1922.

MR. CURRIE: Is this dentist any relation to the dentist that had a contract for the markers?

A.—None whatever.

Q.—Not the same?

A.—I think it was a dentist by the name of Dr. Wright.

Q.—Did he fill your teeth?

A.—No, sir.

MR. HANEY: To come back to Dr. Caldwell, is it the fact that Dr. Caldwell was chosen by the Liberal party of your constituency to contest the last campaign?

A.—No, sir.

Q.—Was he the chairman of the committee, Liberal Committee?

A.—I cannot answer definitely—I believe he was.

Q.—President of the Liberal Association in that riding?

A.—I believe so.

Q.—And there was no Liberal in the field against you?

A.—There was a Liberal nominated and stayed almost to the election.

Q.—Pulled out?

A.—I cannot tell you. I was not in the Liberal party.

Q.—Well, he did not compete against you.

A.—Probably, if you would call W. N. Easterbrook, who was nominated, he could tell you.

MR. HANEY: I have heard the life history. Was there a Liberal candidate that stayed against you at the polls in June last?

A.—No, sir.

MR. WIGLE: Going back to that transaction of Ontarios?

A.—Ontario bonds.

Q.—Yes, sir, the late Provincial Treasurer put an issue of Ontario bonds on the market, you purchased them, and then you placed them with this firm of Browning, Harris, and somebody in which you made another transaction, is that the deal?

A.—I bought my Ontario bonds through the firm in Hamilton. They were not bought directly from the Government at all.

Q.—But there was an issue put out at that time?

A.—I suppose so. There was an issue of Ontarios put out.

MR. PRICE: What date was that?

A.—I don't remember, it was the six per cent. bonds, I think the first of February.

Q.—December 22nd?

A.—It was this present issue whatever issue it was.

THE CHAIRMAN: \$15,000,000?

A.—I cannot tell you. I cannot tell you the issue or the date.

MR. WIGLE: Do you recall in the evidence given by Mr. Nash, reference to a bond transaction relating to Grand Trunk Pacific?

A.—Yes, sir, I bought Grand Trunk Pacific, which the statement shows at two different times and paid for them with bonds.

MR. HANEY: Is that transaction referred to the transaction you have in mind? It was your transaction?

A.—Distinctly so.

Q.—To whom were those bonds sold?

A.—They were sold back to the firm in Hamilton.

Q.—You are now giving information, we didn't have the missing sheet?

A.—No, that is covered here.

Q.—Do you remember Mr. Nash's statement to the effect that there was not any documentary evidence of who got these bonds?

A.—I remember Mr. Nash's statement regarding the Provincial Securities Co., that there was no evidence, but Mr. Nash's statement of my transactions is set forth in the Exhibit, as to how these bonds were paid for.

Q.—Who got them?

A.—Who got them? I sold them, after some period, a couple of months, back to the firm I bought them from and made a profit of between \$1,200 and \$1,300 in the increase in value.

MR. CURRIE: Have you got an abstract of that statement?

A.—No, sir.

Q.—They never gave you an abstract of this account?

A.—No, sir.

Q.—Have you got your bank book to show this transaction?

A.—I think so.

Q.—Will you produce it?

A.—I will try to.

Q.—How many banks do you bank with?

A.—One.

Q.—What one?

A.—Bank of Commerce, Dundas.

Q.—Did you ever have any transactions with the Home Bank?

A.—No, sir, no shape nor form.

Q.—You never saw any of those legals of the Home Bank?

A.—No, sir. I didn't know one official, Col. Mason, or one employee of the Home Bank. There was no Home Bank in Dundas.

Q.—You were in council when these transactions that appear here with the Home Bank—were you in council when that money was paid in?

A.—Which money?

Q.—Money that was paid to the Treasurer. Did he report money being paid to him to council?

A.—Which money?

Q.—Money for that issue of bonds that the Home Bank bought?

A.—I don't know as it was ever reported to council. Why should it be reported to council if this loan was approved by council.

Q.—You were a member of council when this loan was made in New York by Mr. Ridout?

A.—I expect so. I don't know whether I was there that particular day or not. The minute of the council will show.

Q.—Do you know anything about that transaction?

A.—Not one thing, sir.

MR. CURRIE: Let us go back to this transaction between you and Mr. Harris. When did you first meet him?

A.—When he was manager of the Royal Bank in Dundas.

Q.—Did you carry an account with him then?

A.—No, sir.

Q.—And you say he took charge of the campaign in Wentworth?

A.—No, sir, on the victory loan.

Q.—What year?

A.—Two or three different—I suppose 1917, 1918 and 1919.

Q.—And you were out assisting him?

A.—To some extent in my own municipality. He was general organizer.

Q.—You went with him?

A.—In my own municipality.

Q.—You drove him around?

A.—I expect so.

Q.—You got pretty well acquainted with him?

A.—I suppose a certain friendship sprang up.

Q.—And when he started in business of his own later, you started to deal with him?

A.—I don't know whether I did right away, but as I said, I dealt with him for several years.

Q.—In 1920 did you deal with him?

A.—Yes, sir.

Q.—Before the election?

A.—Oh, yes.

Q.—You bring your bank book?

A.—I will bring my bank book, if I can find them.

Q.—Have you cheques?

A.—No.

Q.—Don't you keep any cheques or books?

A.—I haven't a book of any kind or connection. I am the only person or shareholder in my business. I am not associated with anybody in my family, or father, or sons, who operate separately.

Q.—You said your wife and you were the same?

A.—Quite so; we were married. I have no books of my business. As far as receipts of my payments that I have made I might from among my receipts be able to find some of the payments for stocks that have been made, but I am not sure I can, but I will endeavour to do so, if you wish me. And as to the little bank books you get with your savings I will be pleased to produce them, if I can locate them. I think I can locate them.

Q.—You only bank with one bank?

A.—One bank.

Q.—Bank of Commerce?

A.—That is it.

Q.—You haven't any other accounts in Toronto?

A.—I have no accounts anywhere at the present time, but in the bank at Dundas.

Q.—Outside this country?

A.—No, sir.

Q.—Anything in Detroit or Buffalo?

A.—I am sorry I have not, but I haven't.

Q.—We will have you bring your accounts.

A.—All right sir, I will be available as long as the Committee sits.

MR. HANEY: You said you had only one account in the bank at the present time?

A.—Yes.

Q.—Would you tell the Committee if you have had any other accounts since you assumed your office?

A.—Since I started to do business in my life, about fourteen or fifteen years ago, I have continuously done business with the Bank of Commerce in Dundas, with one exception, that a couple of years ago, I had a very small expense account at the Royal Bank in Dundas, only probably four or five small items, and I think that account is entirely closed out. There may be a trifling balance, three or four dollars, left.

Q.—You didn't keep any accounts here in Toronto?

A.—No, never did banking in Toronto, any bond house or anything.

Q.—Pay your accounts in cash?

A.—I pay some in cash and some in cheque.

THE CHAIRMAN: Just this. You took \$10,000 of stock in your wife's name in this Harris firm?

A.—Yes.

Q.—And that was in June?

A.—Yes, sir.

Q.—And in the fall of the same year the company had made heavy losses with the Beaver Truck Co., so you transferred it to Mr. Harris?

A.—Yes, sir.

Q.—For no consideration at all?

A.—No, it stands an unsettled matter.

Q.—Unsettled matter! And you hope there will be an adjustment, something coming to you?

A.—Well, possibly, when the later partnership realizes.

Q.—Some of the later partnership, or firms?

A.—But it has dragged out so long I don't think there will ever a cent come out of it.

Q.—You are losing hope of getting anything?

A.—I have lost hope of getting any.

Q.—But at the time you transferred there was an understanding that if they realized you or your wife would get anything back?

A.—There is no undertaking given.

Q.—But there is an understanding?

A.—Yes.

Q.—Well, it appears that Harris' various companies made an eighth of a million, \$125,000, out of the Province shortly after. Had that any connection with it?

A.—None whatever.

Q.—Do you think it is just a coincidence that this firm or company out of which you might expect to be recouped, that they got this chance to make \$125,000 out of the Province? And that is only coincidence?

A.—I don't think it is as much as coincidence. It has no relation whatsoever.

Q.—You have no claim?

A.—I have no claim on it whatever, and as far as I am concerned, my wife and myself accept \$10,000 loss as a rotten speculation.

MR. CURRIE: Did Harris tell you he made this money at any time?

A.—No, sir.

Q.—Didn't tell you he was Provincial—

A.—Securities?

Q.—He didn't tell you he made a large sum of money?

A.—I had no idea what money Harris made until the evidence was brought out.

MR. PRICE: Did he tell you he lent money to Browning?

A.—No.

Q.—Did he tell you he lent money to Caldwell?

A.—I don't think he lent Caldwell money to put in any—I think it was lent to Caldwell to put money in the company that was eventually sold out to the canners. It was the company that Caldwell sold to Motherwell, but that was no connection with the other.

Q.—Through all the changes in these various companies, you still continue to do business with them right down to 1923?

A.—Yes, sir.

Q.—You are a client of that firm?

A.—I am.

Q.—And in the present Browning, Harris, Denman?

A.—Browning, Harris, Denman.

Q.—Have you got stock in that company?

A.—Not a cent.

Q.—Did they look after the shareholders of the original company?

A.—No, sir, not a cent's worth.

Q.—Do you mean to say these original shareholders are held up there with all that liability?

A.—Yes, sir.

Q.—And this firm which practically had all the business of that first concern is carrying on and doing business without responsibility?

A.—That is the position it stands in, and I have raised the question with a couple of shareholders some time ago to try to get some final settlement of the old company to see what could be done. I discussed it particularly with Mr. Townsend, he was a shareholder and resident of the town of Dundas, and he said we ought to try to do some thing and that is as far as it has ever got. Townsend, I am satisfied has not been recouped a cent. If he has it is outside of my knowledge or any shareholder.

MR. CURRIE: How much was the loss on that Beaver Truck?

A.—I don't know. It was set at \$116,000.

THE CHAIRMAN: \$115,000 they owed the Union Bank.

A.—I don't know exactly, I know there was a heavy loss.

MR. CURRIE: Were you in Harris Wood Products?

A.—No.

Q.—They made a loss there of \$30,000?

A.—I cannot tell you, I don't know anything about the organization.

Q.—Didn't you know they were making that good?

A.—No, I don't know where Harris Wood Products was located.

Q.—They were located right where this Provincial Securities was located?

A.—Well, they must have had a manufacturing plant.

MR. PRICE: Well, supposed to be down in the Mail Building, 106.

Q.—The thing in this is that this Provincial Securities Co. transacted business with the Government as a blind for the Browning, Harris & Northey Co., and Morgan Dean, Harris & Mulveney Company, which were in suspended animation at the time. Now, Mr. Biggs, with that company in that shape, getting all the business, turning it back practically to the Browning, Harris, Northey Co., don't you think it looks as if there had been a connection with the Government at that time?

A.—I never was associated in any shape or form with the Browning, Harris, Northey.

Q.—Oh, I know, but they took over all the business, they got over all the business and the clientele?

A.—They got the good will.

Q.—And you continued doing business with them before that.

MR. CURRIE: Did they pay anything for that good will?

A.—I cannot say.

MR. PRICE: That is the only way you would get a rebate.

A.—Well, it didn't eventuate anyway.

Q.—It may yet?

A.—No, I don't think there is any chance.

Q.—Did you have a talk with Harris over the way to arrange this Provincial Security stuff?

A.—No, sir, I didn't.

Q.—Harris didn't do that just for the fun of it. Didn't you know Harris was going to pay up some of these liabilities, that he was obligated to the extent of \$30,000?

A.—No, sir, I knew nothing about it.

Q.—You say Harris was not obligated to the extent of \$30,000 that he lost in the Harris Wood Products?

A.—I don't know anything about Harris' personal obligations at the time or at the present.

Q.—He let his firm in for \$30,000 and he had to make it up to Morgan Dean, Harris & Mulveney, isn't that right. Do you know as a matter of fact he had to make that up?

A.—I didn't know that the connection of the Harris Wood Products was at the time with the Morgan Dean, Harris & Mulveney Co.

Q.—Well, it was.

A.—I have no knowledge. I was not on the directorate..

Q.—You were not on the directorate, but you knew that a big loss was made and knew Harris was to make it up?

A.—I didn't know a big loss was made by the Morgan Dean, Harris & Mulveney. I understood the obligation was a personal obligation of Harris, as far as my information goes. Mr. Nash may know that.

Q.—Never mind Mr. Nash. You were a stockholder and you knew Harris, and you are proud of that connection and drove all through the country?

A.—That was not in that connection.

Q.—I want to be fair, you are the man we want to ask, didn't you know Harris had to make up that \$30,000 that he put his company in for on the Harris Wood Products?

A.—No, sir, I never knew or had any information.

Q.—Didn't Harris talk to you?

A.—Let me answer one question at a time; I am not double barrelled.

Q.—You are doing very well?

A.—I am doing the very best I can for this Committee. I had no knowledge that Mr. Harris implicated or involved his company with his brother's business in any shape or form. Later I was given to understand that Mr. Harris had made these guarantees and they were not company guarantees.

Q.—The company had to take them over.

A.—Now, I cannot speak with authority whether they did or didn't. I don't know.

MR. PRICE: You were aware that Mr. Harris—he made \$31,000, didn't he?

A.—From the records.

Q.—Yes, he made that \$31,000. It was a way of giving him a chance to do it, whoever did it.

A.—Whoever gave him the Government's business?

Q.—The Government's business?

A.—You will have to talk to the Treasurer about Government bond business, for I was in the Highway Department.

MEMBER: There has been certain records deleted from the Morgan Dean, Harris Co., do you know any reason why that should be done, or know why it was?

A.—No, sir, I have no reason, and I expressed to the Chairman of the Committee my sorrow that my account is not here before the Committee this morning, because my account has been an absolutely clean cut private account, with clean cut payments and sales and purchase in every instance.

MR. CURRIE: What was this Wood Products?

A.—I don't know. I believe it was some firm that was building portable houses.

Q.—When this Housing Commission was doing any business?

A.—I don't know anything about the business at all.

Q.—They were not making toothpicks?

A.—They may have been, I don't know.

Q.—You were not a stockholder in that?

A.—No, sir, I know nothing of it.

THE CHAIRMAN: Well, what about Mr. Haney?

MR. SINCLAIR: I don't see what else can be done. It is the custom of courts anyway when witness has a certificate of a doctor that he cannot give evidence. Whether we could get evidence from him by some system of examination—that might be considered, but as far as coming here to-day, that is an impossibility, and I don't see any reason for going to examine him at his house.

MR. PRICE: We might have a committee go and examine him at his house.

THE CHAIRMAN: Well, let it stand.

MR. WIGLE: With the assistance of Mr. Nash, couldn't we build up these

ledger accounts that are missing. I want to get the assurance from Mr. Biggs that he will assist Mr. Nash in order to build up this account so we will have it here.

Q.—Did you get monthly statements?

A.—No, I never got statements. The only statements I ever got from Harris or any bond house I ever dealt with, you got a statement of the transaction when you put the transaction through. It might be so many bonds, \$10,000, a certain amount credited, and so much debited to another purchase, or partly bonds or partly cheques. I think I have on my regular receipt file some of those transactions although I cannot say how many, and my memory seems to tell me that I have a few, but I don't know that I have anything to bridge up this evidence over that bridge.

MR. CURRIE: Well, you will assist Mr. Nash?

A.—I will do anything I can.

Q.—Anything to help?

A.—Absolutely.

MR. WIGLE: Is there a day book? We are told the ledger is gone. Is there a day book?

THE CHAIRMAN: There is a cash journal and that is gone, and the ledger sheets.

MR. WIGLE: We are to understand when these transactions took place the entry is immediately in the Journal Cash book?

THE CHAIRMAN: Yes.

The Committee then adjourned until 3 o'clock the same afternoon, Wednesday, April 16th, 1924.

PUBLIC ACCOUNTS COMMITTEE

Proceedings before the Public Accounts Committee, sitting in the Reception Room, Parliament Buildings, Toronto, on Wednesday, the 16th day of April, 1924, at 3 o'clock in the afternoon.

Mr. Finlayson, Chairman.

MR. SINCLAIR: Mr. Chairman, before you go on I might say I have under subpoena certain witnesses, the Honourable Mr. McGarry, Mr. Mathews, Mr. Whittaker, Mr. L. C. Mason and Mr. G. T. Clarkson. Mr. Haney sent in a note this morning, or his medical man has, that he is ill. I would like to know what the situation is in regard to Messrs. Mathews and Mason. Have they been subpoenaed or will they be here?

THE CHAIRMAN: The subpoenas have been issued and are in the hands of the officials.

HON. MR. PRICE: If you will go on, we will ascertain from Mr. Cuddy, when he comes in.

MR. SINCLAIR: I think it is very important that we should know whether these two men will be here, as they are very important witnesses.

THE CHAIRMAN: Will you go on with Mr. McGarry now?

MR. SINCLAIR: Yes.

Hon. T. W. McGarry, recalled.

MR. SINCLAIR: Mr. McGarry, you were Provincial Treasurer for Ontario during what period?

A.—From December, 1914, to October 20th, 1919, and for a short time afterwards.

Q.—And I understood you to say the other day that shortly after your appointment Mr. Claude Macdonell had made representations to you regarding deposits in the Home Bank?

A.—Mr. Claude Macdonell was a political and personal friend of mine, and he called in to congratulate me upon my entry into the Cabinet, and incidentally in this conversation he said, we have not got our fair share of the deposits of the Province, or I would like if you would increase them; and I increased them about \$200,000.

Q.—How long was that after you took office?

A.—I do not recollect, but I would say in the spring of 1915. My recollection is not clear. If I had the file I could tell you.

Q.—And you took office when?

A.—In December, 1904, and this was some time in the spring of 1915, I would think offhand.

Q.—You say you looked up the records of the deposits in the Home Bank at that time?

A.—I looked up the last annual statement of the banks when I took office. I was told to familiarize myself with the conditions of the banks, and I did that.

Q.—And what was the condition of the Home Bank at that time?

A.—The Home Bank was in a perfectly solvent condition, according to their return.

Q.—I mean, what provincial deposits had you in the Home Bank at that time?

A.—I cannot speak as to that with any degree of definiteness; but we did not have over a couple of hundred thousand dollars in.

Q.—How did that compare with other banks?

A.—It compared very well with almost every bank except the Bank of Montreal. The Bank of Montreal were our fiscal agents as they have always been.

Q.—At that time you were doing business largely with the Bank of Montreal?

A.—Yes.

Q.—And the Home Bank had its fair share of the deposits, among the other banks?

A.—Yes.

Q.—And you increased the deposit at that time by what amount?

A.—Well, I would say, offhand, a couple of hundred thousand dollars, some time during the year 1915, according to my recollection.

Q.—You said something the other day about the Bank of Montreal reducing your rate of interest to 2 per cent., or notifying you that they would?

A.—I said that after we had brought up from New York about four million dollars, a loan that we had put through, in, I think, 1915 or perhaps 1916,—it is a long time ago and I haven't a definite recollection—but I thought it unusual. Mr. Adams, of the Bank of Montreal in Toronto, telephoned me that Sir Frederick Williams Taylor, the General Manager of the Bank of Montreal, said that they would not pay any more than 2 per cent. on that money. And I immediately said, all right; and I took all the money out of the Bank of Montreal, except perhaps seventy or eighty thousand dollars, and divided it among the other banks.

Q.—You took out of the Bank of Montreal the money that was there?

A.—Everything. I think there was nearly six million dollars there, because

we had brought this loan from New York to meet certain loans which were maturing in Canada.

Q.—And where did you put that?

A.—I am saying we deposited it in the Bank of Montreal.

Q.—And you say you took the money from the Bank of Montreal?

A.—It was deposited to our credit in the Bank of Montreal agency in New York. Of course it was wired up here—it was transferred in their own way of transferring money, and when it got here the Bank of Montreal found that they had such a large deposit, that they had so much money on their hands at that time that they could not pay more than 2 per cent., and I withdrew all the money that we had in the Bank of Montreal and divided it among the other banks.

Q.—Before the four million dollars came up?

A.—No. They did not tell me that until after the money came up from New York.

Q.—There was some money in the Bank of Montreal before the four million dollars came up?

A.—Yes.

Q.—And you had the four million and almost all the rest of it?

A.—Yes, we had almost everything from the Bank of Montreal.

Q.—How much did you give the Home Bank at that time?

A.—I do not recollect. Probably half a million dollars. I divided it as equally as I could among all the other banks here.

HON. MR. MCCREA: At what rate?

A.—Three per cent. We considered the Bank of Montreal was paying too little.

MR. SINCLAIR: How much did the Bank of Montreal pay on what was left in?

A.—My recollection is that we left in so little that it was on current account and therefore not carrying any interest. That is my recollection.

Q.—You said the other day that you favoured the Home Bank, and there has been a statement filed here during the examination showing the Home Bank deposits from time to time?

A.—Yes.

Q.—What reasons had you for favouring the Home Bank rather than any other bank?

A.—I had no reasons except the ones I explained here the other day, that most of the directors of the Home Bank were personal friends of mine and co-religionists of mine, and they put it to me strongly that they ought to get more business, and I gradually gave them more.

Q.—And any other reason?

A.—None whatever.

Q.—No other reason of any kind?

A.—No other reason whatever.

Q.—And any other reason?

A.—No.

Q.—How often did the directors approach you in regard to giving them additional deposits?

A.—Never at any time except the time Mr. Macdonell spoke to me and then later on, in either 1918 or 1919, I do not know which, Mr. Haney asked me at the end of the year to transfer a deposit of a million dollars. I explained that the other day.

Q.—He asked you to place an additional deposit in May, 1919, and at that time you deposited how much?

A.—Well, I am speaking again from recollection, but I think a million dollars. I do not know that we deposited it, Mr. Sinclair. I think the deposit was transferred from a special account on which there would be a payment of interest to ordinary account.

Q.—I think the statement was used here yesterday, on the 30th May, \$2,500,000 was deposited in the Home Bank?

A.—That would be a loan. There would not be any other source from which that amount of money could come except from a loan.

Q.—But you have already said that at the end of May, 1919, you made an additional deposit in the Home Bank, at the request of Mr. Haney?

A.—No, I think what I transferred was transferred from special account.

Q.—You were asked to make some additional deposit in the Home Bank at the end of May, 1919?

A.—No, I have not said that. I said either 1918 or 1919 Mr. Haney asked me.

Q.—Which year was that in?

A.—I do not know, unless I get the records from the Department. I do not remember what took place five or six years ago, but I do know on one occasion I was asked and I did it, that is, I transferred from a special account, which was an interest-bearing account, at the end of the year, a million dollars.

Q.—Will you swear that this two and a half million dollar deposit in May, 1919, was not the amount you deposited on request?

A.—I will. I will swear that must be a loan. I would like to have an opportunity of looking up the records in the Department.

Q.—Will you swear it was a loan?

A.—I will not, without having an opportunity of looking at the records in the Department.

Q.—Will you swear that was not the item that was put in to bring the deposits up?

A.—No, I will not without looking at the records.

Q.—Now, what was the reason given for putting a deposit in the bank at the end of that year of the bank?

A.—I do not know. The reason I had for it was that I was asked to do it.

Q.—What was said to you?

A.—Nothing, except that Mr. Haney said he wanted to get his deposits up to a certain amount. I do not remember how much.

Q.—And you knew that was the end of the financial year of the bank?

A.—Yes.

Q.—And that it would look better to the Dominion Government if the deposits of the Home Bank showed better?

A.—That was in his mind, yes.

Q.—Was it in your mind?

A.—It was in my mind to help him.

Q.—And you, as Provincial Treasurer, gave that extra deposit in order to make a better showing for the Home Bank in their annual statement for that year?

A.—Yes.

Q.—And shifted provincial funds for the purpose of bolstering up the deposits of the Home Bank?

A.—Yes, if it required it.

Q.—Now, I notice that in the report of the deposits in the Home Bank the peak was reached on September 24th, 1919, when there was \$3,300,000 to the credit of the Province in the Home Bank, and that was about the time that you retired from office—you retired a month or two later?

A.—Yes.

Q.—And during the previous months the deposits had gradually kept creeping up while you had been Provincial Treasurer?

A.—Well, the record is there.

Q.—On January 1st, 1916, there was \$350,000 credit balance?

A.—Yes.

Q.—And on the 24th September, 1919, a credit balance of \$3,300,000?

A.—Yes.

Q.—And that was while you were the Provincial Treasurer?

A.—Yes.

Q.—And after the requests from directors and prominent men in the bank that the Province do make deposits with the Home Bank?

A.—Yes.

Q.—Now, who did the depositing of money in the Home Bank?

A.—Well, I did not do it. I suppose officials in the Department did it. I think Mr. McKenzie looked after that, that he was the cashier at that time.

Q.—But on your orders?

A.—On my orders, yes.

Q.—And in regard to the Home Bank, what officers would you deal with?

A.—You mean officers of the Home Bank?

Q.—Yes?

A.—I dealt with Mr. Haney, when he was president for a while, and I met Colonel Mason probably three or four times in my office.

Q.—Three or four times in your office. Was there any arrangement with Mr. Haney or Mr. Mason about these deposits?

A.—None.

Q.—Nothing?

A.—None whatever.

Q.—And was there any special inducement by any of these officers of the bank or by any official of the bank?

A.—None whatever. The fact that that amount of money was there, the three million dollars in September, 1919, would be explained by the fact that a loan was put through the bank at first. They advanced money. We always did that with any bank which put through a loan for us.

Q.—There was a million dollars deposited on the 22nd September?

HON. MR. PRICE: I think you will find that was a Treasury Bill.

MR. SINCLAIR: It might have been. Can you be positive as to who had charge of the banking business of the Department?

A.—The only person I met in all the time—

Q.—I mean in your own Department, who was your banker?

A.—I would say Mr. McKenzie. I directed, I may say, every day, a list of all the banks and the amount of money we had in them was placed on my desk.

Q.—Your deputy would not, nor your secretary—

A.—And another reason for the Home Bank being larger than the others at that time was the fact that very late in 1916 they were handling all the Re-

sources Committee Fund,—that is, the War Fund, and during that time we spent nine million dollars from that fund.

Q.—But in your Department, who had any authority for negotiating with banks?

A.—Nobody except myself.

Q.—So whatever banking was done was done by yourself or by your authority?

A.—It was directed by me, yes.

Q.—And you think that Mr. McKenzie was the only one?

A.—He would be the official who would direct the actual cash to be moved.

Q.—He would be the only one in the Department, outside of yourself, who would know what the bank deposits would be?

A.—I would not say that, because I think Mr. Sproule, who was my assistant Provincial Treasurer all the time I was there, would always have to counter-sign the direction for the removal or change of anything.

Q.—And was there anybody outside of the Treasury Department who would have anything to do with this?

A.—No.

Q.—How did you make any arrangement that had to be made with the bank from time to time, or did you make any arrangements?

A.—I never made any arrangements at all. I carried on the business of the Treasury Department as we required money, and I got all the information I could with respect to the value of money at the time in the market, both in New York and Toronto.

Q.—Did you never go to the bank yourself?

A.—I was never in the Home Bank in all the time I was Treasurer except once, and I think that was along in 1916.

Q.—Who did you see when you were there that time?

A.—I think Mr. Haney, who was then president. And I went in about a matter outside of anything to do with the provincial matters.

Q.—When there was anything between you and the bank, did the bank officials come up and see you?

A.—If I required them I sent for them, yes.

A.—A message by phone, or what?

A.—I cannot recollect now, but probably phoned them and told them I wanted to see them.

Q.—How often would this be?

A.—Whenever we required them.

Q.—About how often would you require to communicate with the Home Bank?

A.—I would not say more than a couple of times a year that I would have any connection with them at all.

Q.—And then someone would come up from the bank—who would come?

A.—Colonel Mason came, or Mr. Fleming, or Mr. Haney when he was president.

Q.—It was generally the president of the bank who came to see you?

A.—He did on occasions, yes.

Q.—Anyone else?

A.—I have no recollection of anybody but Mr. Fleming, Colonel Mason and Mr. Haney.

Q.—And just on these rare occasions, on the few occasions?

A.—On the few occasions, yes.

Q.—And when they came, who would they see, just you or anyone else in the Department?

A.—Of course they would see a lot of people on the road in to me, because people would not be allowed in unless I knew what their business was. Every person in my outer office they would see.

Q.—That is only a matter of office routine, but inside of the office, when they were discussing matters, who would be there?

A.—Nobody but myself and whoever was there.

Q.—You did not have your deputy or Mr. McKenzie or anyone else in there with you?

A.—No. I may have had them occasionally, but I have no recollection of them being there.

Q.—The rule was that you would conduct these negotiations privately with the officers of the bank?

A.—I always conducted the negotiations privately, because until a loan was made it was not wise to say anything about it.

Q.—On these few occasions when they came up, can you tell us what they would be coming about, what was their mission in seeing you?

A.—The only occasions that I can remember them coming up, they came up to see me, to see if they could buy from me Treasury Bills, on one occasion, and on other occasions, bonds.

Q.—I have not looked up all the records but I suppose there were sales to them previous to 1919?

A.—I cannot recollect, but I think probably three or four sales altogether were made to the Home Bank. It will all be on record in the Department. Whatever took place will be reduced to writing.

Q.—Now, so much for the Home Bank deposits. Now the Province was borrowing money from time to time, of course, while you were Treasurer?

A.—Yes.

Q.—How often in a year would you have a loan?

A.—During 1915, I suppose we had three or four loans altogether with the Home Bank, speaking of the number of loans which would go through. As time went on our expenses increased and former loans made by former treasurers were maturing. I suppose the last year I was there we had to borrow money seven or eight or nine times altogether.

Q.—Now, what system was followed when you would want a loan?

A.—Different systems. In an ordinary market, when the bond men were free to go in on a bond deal, if it were going to be a five or a ten-year loan, I would first go down to New York and find out what the conditions were in the money market. I would fix in my own mind what rate we ought to get; and then I would come back here; and sometimes, if the market was good, we would advertise; and other times we could make a better deal without advertising.

Q.—Inside of your own Department, when money was needed, who knew it?

A.—The secretary, Mr. Mathews, and my deputy, Mr. Sproule, would generally know, and Mr. McKenzie would know, because they would have always ahead the moneys that we would have to make up.

Q.—Would your deputy tell you, or would you tell him that there was need for a loan?

A.—No, I would keep control of that myself; I mean that I directed that.

I knew from the statements that I would get from my Department when maturities were about to come along.

Q.—Would these men in the Department know that a loan was required and money was needed?

A.—Some of them would know, yes; that is sure.

Q.—Was there no one there whom you dealt particularly with, your own deputy or your secretary?

A.—Of course, my secretary, who was subsequently Deputy Minister, Mr. Mathews, would be the first person probably who would know of this, and then the deputy would know right away, and then Mr. McKenzie, the cashier, would know.

Q.—Was Mr. Mathews familiar with the raising of loans during the time you were Treasurer?

A.—Fairly familiar. He would be familiar by the time the loan went through.

Q.—Mr. Mathews would be familiar with how the loans were negotiated?

A.—Yes, he would be fairly familiar with it; yes.

Q.—Did you always advertise for tenders?

A.—Oh, no, not at all.

Q.—How did you do, when you did not advertise?

A.—I would find out at first how the market was, by going to New York and seeing the different firms there with whom I was familiar; I would send for a number of brokers here in Toronto, and I would speak to some bankers; and in that way I would gather enough knowledge as to what money ought to cost me.

Q.—And then, after getting that information, you would advertise, possibly?

A.—If I was going to ask for tenders, I would advertise; otherwise not. In a very delicate market, I would simply send for somebody and say, here, I want to get a loan of two million, three million, or four millions, whatever it was. What can you give it to me for?

Q.—When you advertised for tenders, of course everybody wishing to deal would file their tenders—that would be the system?

A.—Yes.

Q.—When you decided not to ask for tenders, you would deal with one party, having looked the field over?

A.—Sometimes I would discuss it with half a dozen parties, but I would wind up by saying to one party, I will accept your offer.

Q.—And in the case of tenders being filed, who would open the tenders?

A.—Generally when tenders were in they were opened in the presence of all the brokers who would be the tenderers.

Q.—You had the brokers up there?

A.—Yes.

Q.—And who else in your office?

A.—Generally the Deputy Minister and sometimes my secretary, but not always, because if the Deputy Minister was there I would not have the secretary.

Q.—And then, having opened these tenders, I suppose you and your deputy and your secretary would decide on who was the successful tenderer?

A.—It was never very difficult, because the lowest tender got it, and that was all there was to it; and it was opened in the presence of all of them.

Q.—Then you did have your assistants in the office working with you on these various loans?

A.—When tenders were asked for, yes.

Q.—But when there was no tender, your deputy nor your secretary, neither one of them knew anything about it?

A.—Well, I cannot remember. I would not say that, but what I say is that I just made my inquiries and so on, without letting anybody in the office know. The members of the Government would know that I was trying to get a loan through, and that would be all. Then when the negotiations advanced far enough that we were prepared to accept an offer, everybody in the office, of course, would know that a loan was going through.

Q.—Now, coming to the loan of September, 1919, you knew about this loan before you wrote the Home Bank on this matter?

A.—Well, I knew about it, and I doubt if anybody else knew in the Department except that I was negotiating.

Q.—You do not think that anybody else in the Department knew about this loan?

A.—I think that they knew that I was negotiating.

Q.—With the Home Bank?

A.—Yes, because I had sent for Colonel Mason to ask him whether they were prepared to buy these Treasury Bills or bonds or whatever we sold.

Q.—Then who knew that you were negotiating with the Home Bank prior to September 23rd?

A.—I cannot remember with respect to that any more than just that when I would telephone down to the Home Bank it would probably be the secretary, Mr. Mathews, who would telephone down and ask him to come up. I would not do the telephoning myself. I would ask somebody to do it; and they would know from what I stated that I was in the market for money.

Q.—How long before the 23rd September had you been dealing back and forward on this matter with the Home Bank?

A.—I had been dealing at least from—

Q.—In regard to this particular loan?

A.—From the 7th or 8th when I put through the deal for the Treasury Bills, I told the Home Bank that if they were prepared to make an offer for $5\frac{1}{2}$ per cent. bonds at 5 or 10 years, that I would sooner make a permanent loan; and following that up, on the 23rd September, or whatever the date is that the loan went through—the papers will show it—Colonel Mason wrote me a letter offering me 94.48, or whatever the amount is, for those permanent bonds. I had, as I have already told you, made inquiries and found out that that was a good price, because there were no bond dealers in Toronto who were prepared to make any deal on Ontario securities, because the Dominion loan was being launched for seven or eight hundred million dollars, or whatever they required; and after that we could not get offers. So, when I got the offer of Colonel Mason to sell to him at that price, I accepted it on the same day.

Q.—How did you get that offer?

A.—I have already explained to you that when the first loan went through for the Treasury Bills I had arranged that if they could make me an offer for these bonds I would sell them to them.

Q.—Here is a letter of the 23rd September to you from J. Cooper Mason. Was it mailed or delivered?

A.—I cannot recollect. I had seen Colonel Mason either that day or the day before, and he told me that they were figuring on it and hoped to make an offer.

Q.—Where had you seen Colonel Mason?

A.—At my office.

Q.—He had been up the day before?

A.—Probably, but I cannot recollect.

Q.—When he was up had you settled this?

A.—No, because he had not yet reached the point where he could make an offer.

Q.—And you told him that day what you would be willing to take?

A.—I told him that day to write the letter.

Q.—The day before, when he was there?

A.—No, I did not tell him what I would take. I left it to him to make me an offer; and after making an offer and discussing it, as I would discuss it probably with the other members of the Cabinet, we decided to accept it.

Q.—You got this letter on the 23rd, and how long was it before you answered it?

A.—Well, if I followed the usual course, I answered it on the same day.

Q.—That is the date of the letter, I may say?

A.—I see that here. I accepted it right away.

Q.—Immediately?

A.—Perhaps not immediately, but on the same date.

Q.—And you tell us now that you had not your mind made up as to what you would sell at when you got that letter?

A.—I had my mind fairly made up the day before, but I did not tell him what I would take.

Q.—Who else did you see from the Home Bank, other than Mason?

A.—Nobody, not at the time of that loan.

Q.—Who in your Department had knowledge of this, up to the time you accepted this letter?

A.—I cannot tell you, but the file ought to show who prepared the Order-in-Council. Everybody who had anything to do with the preparation of the Order-in-Council would know. Mr. Sproule, the Assistant Treasurer, signed the Order-in-Council. The Order-in-Council was signed on the 23rd of September. Of course they would all know when the Order-in-Council was going through.

Q.—There was an Order-in-Council passed on the 23rd September?

A.—Yes.

Q.—That would be passed after Mason's letter had come to you?

A.—Yes, and after I had taken it up with the Cabinet and accepted the offer.

Q.—I suppose there was what was known as a Treasury Board in your days?

A.—There always has been one.

Q.—At any rate you took this up with the Cabinet or with a section of the Cabinet and an Order-in-Council was passed and a letter was sent back the same day?

A.—Yes.

Q.—Prior to the issuing of the Order-in-Council, who in your Department would have any knowledge that you were negotiating for a loan with the Home Bank?

A.—I would say that my secretary and the Assistant or Deputy Minister would know that I was negotiating.

Q.—How long before the 23rd September?

A.—They should have known from the 7th or 8th September.

Q.—I have not seen the file. Are there any letters or anything prior to the 23rd September?

A.—I have not looked through them. I cannot recollect. There would be people in the Department who would know.

Q.—There is not a letter, is there?

HON. MR. PRICE: No, I do not think so.

MR. SINCLAIR: There is not any of these parties would have any knowledge of the transaction, other than a general knowledge that there was a talk of a loan?

A.—I would not think so, because it was not my custom to tell anybody when we were putting through a loan.

Q.—You for the Province of Ontario and Col. Mason for the Home Bank made the deal?

A.—Yes.

Q.—And you accepted it in your letter to Col. Mason, on the 23rd September?

A.—Yes.

Q.—And you have not seen anyone else about this, other than Col. Mason?

A.—Not at that time, no.

Q.—And the work in the Department would simply be the clerical work which goes with all similar transactions?

A.—In every loan.

Q.—And you did not go down to the Home Bank in connection with this matter at all?

A.—No, I have no recollection of being in the Home Bank except once during all my term.

Q.—Col. Mason came up once in connection with it, the day before?

A.—At least once. I never saw Col. Mason or Mr. Haney for six months after that transaction.

Q.—Before the transaction I am speaking of now?

A.—No.

Q.—And any telephone communication, did you have any about or prior to the 23rd?

A.—There may have been, in the office; but that would only be incidental to the loan going through.

Q.—Any that you remember?

A.—I cannot remember any except the one, and that would probably be put through by somebody else.

Q.—And at any rate the only one you had any dealings with in the Home Bank was Col. Mason?

A.—Up to that time; and Mr. Fleming had been up some time before.

Q.—How long before that had he been up?

A.—I cannot recollect, but it probably would be in connection with the Treasury Bills, and if he came up it was simply incidentally, to gain some knowledge as to when the bills would be ready, or something like that.

Q.—And this was not a loan which you decided to advertise for?

A.—No. I have already explained that there were two or three loans put through that year that were not advertised for, and the reason was that the market was closed to us. We had made arrangements with Sir Thos. White, when he was Minister of Finance, in the fall of 1917 or early in 1918, that we

would not step into the market when the Dominion Government was about to launch a loan.

Q.—And this would not be a loan on which you would go to New York to get information?

A.—I went to New York and I found we could not put a loan through there. I went to New York early in September or the latter end of August, and I found that the market would have been very, very bad for us to try to put a loan through.

Q.—You went down alone to New York, I suppose?

A.—Most likely, I cannot recollect.

Q.—You did not take the whole Cabinet?

A.—Oh, no.

Q.—Or Col. Mason?

A.—No. I am able to travel alone, sometimes.

Q.—Sure. Do you remember who brought up this letter from the Home Bank?

A.—I do not. Likely it was mailed up, and if not mailed it would be sent by an ordinary messenger.

Q.—How was your letter sent back to the Home Bank?

A.—My letter would be dictated, written, and mailed to the Home Bank, likely; and if not mailed would be taken down by somebody in the Department.

Q.—Was Mr. Haney connected with the Home Bank at that time?

A.—No, I think he was no longer president, nor I do not think he was a director.

Q.—He was not there that day?

A.—No, not that I recollect. I do not recollect his being in at that time at all. I think Mr. Haney went out in 1918, if I remember rightly.

Q.—Who were present when that Order-in-Council was passed for that loan,—I suppose the minutes will show that?

A.—Sir William Hearst, Mr. Ferguson, Mr. McGarry, Mr. Cody and Mr. McPherson.

Q.—Now, what was the great hurry to accept this offer the same day you received it?

A.—Because the offer was a very good one at that time, on account of the money market.

Q.—But the money market got better very soon afterward?

A.—Oh, no, not for two months and a half afterwards. I had to have that money.

Q.—And that is the only reason you have for accepting the offer that day?

A.—The only reason.

Q.—That you had to have the money?

A.—We had to put the loan through before the Dominion Government got their loan under way.

Q.—You made the remark that the Government had to have the money?

A.—Yes.

Q.—How long was it before you got the money?

A.—I do not know. It was not paid while I was there. But the records show, I think, two months and a half afterwards.

Q.—Was that one of the reasons you passed it so quickly, that they had to have the money?

A.—No, I thought the offer was a good one, and I thought I had better accept it before the Dominion Government loan was on.

Q.—And then that you had to have the money as you mentioned before was not one of the reasons?

A.—I said we had to arrange to get the loan through then.

COL. CURRIE: You had to engage the money?

A.—Once I had a firm offer and acceptance, I had something I could depend upon.

MR. SINCLAIR: Was this offer and acceptance any good to the Province financially until you had the money?

A.—I think the offer was very good, to know that during the time the Dominion loan was coming through we were sure of getting the money we required.

Q.—Were you sure of getting the money once those two letters passed?

A.—Yes, I felt that we were sure of getting it, because I had a firm offer and acceptance.

Q.—Because I understood you to say the other day that you told the Hon. Peter Smith. Why didn't he cancel it?

A.—The Government can do a great many things. When I met Mr. Smith I told him if he thought he could get the loan cheaper than the rate I got it through, why didn't he cancel the Order-in-Council and remunerate the bank if they were out anything.

Q.—That was two and a half months after the contract was made?

A.—Oh, no, it was not that long; I imagine it would be in November sometime, a couple of months afterwards.

Q.—And at any rate at the end of two months the money had not been paid in?

A.—No.

Q.—Now, while you were still Treasurer, until the 15th of November, why did you allow this to drag along?

A.—I wrote a letter, I do not remember the date.

Q.—We had it yesterday, about the 7th?

A.—I wrote a letter asking why the loan was not closed, on the 10th of November.

Q.—Is that the only letter you wrote?

A.—That is the only one I remember. If I wrote any more it ought to be on file. I have never looked at this file.

Q.—The 31st October was the time for closing?

A.—According to the letter.

Q.—Then on the 10th November you wrote them?

A.—Yes.

Q.—And did you do anything else to try and get the money for the Province?

A.—No. My recollection is that I was not in my office after the 10th November.

Q.—Is that the last letter you wrote?

A.—That is one of the last letters I wrote, and the probability is that this was the last day I was in my office. And the reply, if there is one, did not come until after I had left my office.

HON. MR. PRICE: There is a reply.

MR. MCGARRY: November 11th.

MR. SINCLAIR: Have you any reason to give the Committee as to why you did not press this to a conclusion, after the 1st November?

A.—No, none whatever. I wrote as soon as the matter was drawn to my attention. It probably was drawn to my attention by somebody in the office that this money had not been placed to our credit; because I would not know when they had taken up these bonds. If you look over the procedure, the way a loan is put through, once I had arranged for the issue of the Order-in-Council, the preparation of the bonds and all that was done was all done in the other office, across the hall from where my office was, and I would have no knowledge unless the cashier or the Deputy Minister would come in and tell me that the loan was not through. And what likely happened is that somebody came into our office and told me that money had not yet been placed to our credit.

Q.—Then after the loan is contracted for the duty falls more upon the deputy?

A.—Upon the people of the Department. There are half a dozen people there. For instance, a legal opinion would have to be had from a lawyer, and all that gone through, and it is all clerical work performed in the Department.

Q.—Then, whatever blame there is for this dragging on as long as it has, you say attaches to the deputy and the others in the Department?

A.—No, I do not. I say that the money which should have been paid over, according to my recollection of this, on the 31st of October, had not been paid in, and immediately when that was drawn to my attention I wrote a letter to them. And my recollection is that the reason given by the bank was that they had not been able to resell them. And my recollection is that papers will show that they borrowed money against them in the meantime.

Q.—Did you consider the advisability of cancelling the contract, on the 10th November?

A.—I wrote this letter with the object of endeavouring to have the matter closed, and I was not in my office after that time.

Q.—Then the only two parties who had done anything in connection with this loan were Col. Mason and yourself?

A.—So far as I know, and perhaps Mr. Fleming may have come up about the clerical end of it; but I do not know.

Q.—That is the deputy of the bank. Now was there any arrangement made for any commission or anything for anybody on this transaction?

A.—None whatever of any kind.

Q.—And if any commission were payable, who would be entitled to the commission?

A.—I have already told you nobody was entitled to any commission on that loan. It was a straight offer and a straight acceptance.

Q.—And the only parties, at any rate, that had anything to do with the loan were Mason and yourself?

A.—I would just as soon that you would not make that imputation. I say it is a straight case of an offer and an acceptance, and nobody was entitled to any commission.

Q.—And nobody had anything to do with the loan except Col. Mason and yourself?

A.—Not excepting the clerical work in both offices, so far as I know. I do not know what went on in the Home Bank.

MR. CURRIE: The bonds were not printed at the time you made the loan?

A.—I can only speak from what I see here.

MR. SINCLAIR: In connection with this loan, there has been a good deal of evidence given here that there were some commissions paid in connection of this loan?

A.—Yes.

Q.—And on the 23rd September, the day that the offer and acceptance passed, \$25,000 was drawn out by Col. Mason from the Home Bank and that the cheque was cashed in legals?

A.—Yes.

Q.—Have you any knowledge whatever as to where that went?

A.—None whatever.

Q.—And when did you first hear that there had been such a transaction?

A.—When Mr. Clarkson gave that evidence, the night I gave evidence.

Q.—And at that time you had no knowledge of any arrangement for a commission or anything of the kind to any person?

A.—None whatever. The night I went to give evidence, I was told that Mr. Clarkson was going to make a statement in regard to something that had occurred when I was Treasurer, and I went there to listen and to give evidence if necessary.

Q.—And you heard that evidence?

A.—I heard him give evidence. I heard him say an item of \$25,000 had appeared on the books of the Home Bank or some branch of it.

Q.—And you have heard evidence or seen it in the papers of other items of commission in regard to this loan?

A.—Yes.

Q.—Which amounted at the time you left office to \$42,400?

A.—Yes, I heard it, or saw it, or read it.

Q.—Have you taken any steps since you heard that to find out what this transaction meant or what those commissions meant?

A.—I have taken every step I could, and I am most anxious that everybody who can possibly tell anything about it should be here and testify.

Q.—What steps have you taken?

A.—What steps would you think I have taken, except to come here and give my own evidence.

Q.—All you have done is to come here and give your evidence?

A.—Yes.

Q.—You have not made any inquiry from any person as to what this item, \$42,000, meant in connection with this loan?

A.—No. Who would you suggest I should ask?

Q.—You are the witness and I am a questioner?

A.—If you mean some thing I could do, I would like to know what you mean. I have done everything I can.

Q.—And everything you can do is to listen to the evidence?

A.—No. Come here and give evidence. That is all I can do.

Q.—Further than that you have made no inquiry?

A.—None whatever.

Q.—You have not tried to trace this up at all?

A.—None whatever, because I never had anything to do with it.

MR. CURRIE: Did you ask the editor of the *Globe*?

MR. SINCLAIR: Our junior lawyer will keep busy here. Have you interviewed any who were employees in your office at that time about this?

A.—No.

Q.—Have you interviewed Mathews?

A.—I have not since I went in to call upon Mr. Price, to pay him a friendly visit after he was in office three or four days, and I met Mr. Mathews in the outside office, shook hands with him and had a few words with him; and I have never seen Mr. Mathews or heard from him directly or indirectly since.

Q.—What I mean is, since this came out in evidence, have you seen Mathews?

A.—I have not.

Q.—Have you seen Mr. Sproule?

A.—I have not.

Q.—You have not seen anybody who was in your office at that time, to ascertain whether they have any knowledge of this transaction?

A.—It was not necessary for me to ask anybody.

Q.—I am asking you?

A.—I did not ask anybody, no.

Q.—And you have not seen any of the officials of the late Home Bank?

A.—No, not one.

Q.—To make any inquiry from them as to why this money was paid?

A.—None of them.

Q.—Or as to where it went?

A.—None of them.

Q.—Does not the fact that this money was paid make you think that you should make some inquiry?

A.—No, not at all. Why should I? I had nothing to do with it.

MR. McKEOWN: Neither did I, and I have not made any inquiries either.

MR. SINCLAIR: Then you cannot make any explanation as to why \$25,000 was taken out of the Home Bank by Col. Mason on the day this loan was made?

A.—Absolutely none.

Q.—This was the loan in which you and Col. Mason figured?

A.—Which I, as Treasurer of the Province of Ontario, put through, yes.

Q.—There was no contribution by Col. Mason to any campaign fund that you know about?

A.—No. They never let me handle that.

Q.—When this loan was talked over between you and Mason, was there any arrangement as to profits that would be made by the bank?

A.—None whatever.

Q.—There is some evidence in here that one or one and a quarter per cent. was to be the profit and anything over that was to be a refund to the Province?

A.—There is nothing to it.

Q.—Nothing whatever.

A.—Nothing whatever. I got an offer and I accepted it in writing.

Q.—Then you have heard of a \$15,000 cheque which has figured in evidence here?

A.—Yes.

Q.—Marked as a refund to the Province?

A.—Yes.

Q.—When you made this bargain for this loan, were you expecting any refund?

A.—None whatever.

Q.—There was no mention of anything like that?

A.—Absolutely nothing of the kind. It was a straight offer and acceptance.

I bought at 94.48, and I thought it was a good loan to the Province. And the Province was borrowing within six months at eight per cent., where I got it through at six and a quarter.

Q.—Were the Home Bank buying this for themselves, or for clients or for what?

A.—I do not know. They simply made an offer which I accepted.

Q.—Did you think they were buying it for themselves?

A.—I thought they were buying part of it for themselves. Most of these loans, if put through by banks at all, are put through with the assistance of other banks and companies. They never take a big loan like that alone. They have to sell it or resell it to do it. Even the Bank of Montreal cannot do it, although it does all the business of the Quebec Government.

Q.—It never occurred to you that when they were wanting you to make more deposits they might not be in very good shape to buy bonds?

A.—No. I never dreamt of the Home Bank being in any difficulty until 1923 when I heard it was in difficulty.

MR. SINCLAIR: I think that is all just now. Some other member of the Committee may want to know something.

THE CHAIRMAN: Does any other member of the Committee want to ask Mr. McGarry a question?

MR. BELANGER: May I ask Mr. McGarry if there was with Mr. Mason any understanding as to any limit of time within which the Home Bank was to take up these bonds?

A.—Yes, in my letter I stated, Mr. Belanger, that the permanent bonds were to be supplied to them by the 31st October. Naturally the loan should have been closed then. My attention was not drawn to that until the 10th of November, that they had not closed the loan.

COL. CURRIE: They were then ten days behind?

A.—Yes.

MR. BELANGER: That was the difference between the date of contract and date of delivery?

A.—Yes. You see all that was going on from the time I accepted that offer was incidental to the preparation of the permanent bonds. In the meantime, we had delivered the temporary bonds.

Q.—In view of that, would the Province be entitled to interest for those ten days?

A.—From the moment the bank would make use of the bonds in any way they would have to pay interest at three per cent.

HON. MR. PRICE: When an issue like that is sold, interest is computed from the date of the bonds until the time the actual money is paid, with accrued interest.

MR. SINCLAIR: Do you know anybody, Mr. McGarry, whom we can call before this Committee to give further information upon this?

A.—I would like very much, since there has been so much talk about this, if you would call Mr. Mathews to give evidence.

MR. SINCLAIR: He will be here this afternoon to give evidence, I suppose, —at least he is subpoenaed. There is no one else?

A.—There is no one else whom I can suggest. I would if I could.

HON. MR. PRICE: Mr. McGarry, did you know that the records of the bank show that in order to give some money to the Province before the loan was

actually disposed of by the Home Bank, that the Home Bank had borrowed \$850,000 in New York?

A.—I did not know that; but that would be the usual custom. That was what I said to Mr. Sinclair that they could only make use of the bonds provided they placed to our credit on their books whatever money was tantamount to the amount of the bonds. Consequently, if we required money from them we would call upon them.

Q.—On the 20th November they borrowed \$850,000?

A.—I was out of the Buildings then altogether, but probably the Province required that amount of money.

Q.—And we had evidence from Mr. Fleming yesterday that in November, on the 11th, 12th or 13th, or along there, immediately after your letter, they made a determined attempt to sell the bonds in Chicago and could not get an offer better than 92?

A.—That would be quite natural at that time. The only fair way of judging as to the desirability of my placing that loan at that time is to consider the money market at that time. As a matter of fact, as I have already stated, every broker I think in Canada was busy preparing for the Dominion loan of some seven hundred and fifty million dollars, or whatever it was. The market can only absorb a certain amount of bonds within a certain time. And when I got that offer I felt it was a splendid offer to get; and that was shown by the fact that the Home Bank were not able to resell any of it for nearly three months and they had to borrow on it.

MR. WIDDIFIELD: Didn't they sell at an advance, though, when they did sell, Mr. Price?

HON. MR. PRICE: Yes, it was at a good profit.

COL. CURRIE: They allowed the Government interest on the coupons?

HON. MR. PRICE: Yes, they would be out of that interest.

COL. CURRIE: They would not have benefited by the delay?

HON. MR. PRICE: Oh, no.

MR. CLARKE: I understood you to say that the Government had to have the money, when you put the loan on the market?

A.—What I meant, Mr. Clarke, was that we had to put that loan out before the Dominion campaign was on or we might not be able to get the money until away on in December.

Q.—Then I misunderstood you, but you did not get the money for two months or two months and a half?

A.—We had to have a firm offer for that money, so that we would know we would get it when it was required.

Q.—In other words, you were discounting the future?

A.—Yes, what I was explaining in regard to that was that within six months later the Province was paying more than I got on those bonds. The market got extremely bad, for the reason that the French government was putting a loan through in New York, and the American government was putting a loan through, and the Dominion of Canada was putting a large loan through. And the result was that almost every province in Canada was paying about 8 per cent. for their money.

Q.—At that time the Dominion Government was only paying five or six per cent.?

A.—Yes, but let me say in respect to that, Sir Thos. White made an arrangement with us in 1917 that we would not go into the market in 1918, and in pur-

suance of that agreement I went down to Ottawa to borrow as much money as I could, according to his promise that we could borrow in Ottawa, but his rate was six and a half per cent. I said that is terrible, if you are going to take a profit out of the provinces. He said that is what our money costs us. So you can see what difficulties the Dominion of Canada had in borrowing.

Q.—Would you not have been better off to borrow money at six and a half per cent. for a short period rather than to sell bonds?

A.—I thought that, but you cannot have a big amount of treasury bills out at a time. I think every other Treasurer makes a point not to have too many Treasury Bills coming in at a short date on an uncertain market.

COL. CURRIE: You wanted to find the money for as long a period as you possibly could at that time?

A.—Yes. I had already put through two loans on treasury bills at short date, and I felt we could not stand any more at short date. That is why I wanted the long loan.

THE CHAIRMAN: And the market justified it?

A.—Yes.

Q.—I mean the Dominion Government loan cost away over six per cent?

A.—Yes.

MR. CLARKE: When you sold the bonds at 94.48, you did not expect any rebate?

A.—None whatever.

Q.—Whatever was done after that was done by the subsequent Treasurer?

A.—I never heard anything of that until I saw it in the papers.

Q.—The additional amount would be unexpected to you, if you had been altogether on the job?

A.—Yes, absolutely.

Q.—That would have been all profit, if it had come to the Province?

A.—Absolutely so; but so far as I am concerned I know nothing of it and got none of it.

COL. CURRIE: You have seen some articles in the *Globe*?

A.—Yes.

Q.—They still persist in publishing articles that you know more about this transaction than you want to disclose. You have disclosed everything to the Committee that you know?

A.—Absolutely so.

Q.—There was no toll gate?

A.—Absolutely no. Of course a man cannot defend himself in the witness box. I am not hiding anything. I hope I have covered the whole ground and left nothing unsettled. If I have I will come back again.

Geoffrey T. Clarkson, recalled.

HON. MR. PRICE: Mr. Clarkson, you gave evidence some time ago about the affairs of the Home Bank, in so far as they affect the Province?

A.—Relative to certain transactions, yes.

Q.—One matter being a loan of \$4,000,000 to the Province in 1919?

A.—Yes.

Q.—And the other matter being certain commissions?

A.—A list of certain commissions paid out.

Q.—And you filed certain statements here?

A.—I did.

Q.—Several members had been asking questions about these statements from time to time, and whether you had brought all the information that you had gained before the Committee. I thought I would like to have you come here and be at the disposal of the Committee and also state what precaution you have taken or what you have done?

A.—I have given you all the information I have at the time.

Q.—Have you been working since that, as liquidator and as representative of the Province, to get all the information that may come in?

A.—I have in every way possible.

Q.—Is there anything else that you could give to the Committee that would throw light on these transactions which have been brought before them?

A.—There is one thing just occurred, that occurred on Friday afternoon last, when a late officer of the bank told me that he had some sort of a recollection that Mr. Mason had told him that this \$25,000 had been paid over in money to Mr. Haney, and that Mr. Haney had taken that money up to the Parliament Buildings.

Q.—Who was that information from?

A.—Mr. Whittaker.

Q.—Have you taken steps to see Mr. Haney or make certain investigations on this statement?

A.—I have seen Mr. Haney. My reason for seeing Mr. Haney, too, is this: to my personal knowledge, in connection with other important matters, Mr. Haney has been a sick man for two months, so much so that in connection with certain transactions his medical advisers have communicated with us and told us from time to time that he was unable to do business. I thought this of sufficient importance to take it up with Mr. Haney. I had some difficulty in seeing him, because of his state of health, but he finally agreed this morning to see me. I saw him, and he told me that he did not receive any \$25,000 or \$12,000 or any money whatsoever from Mason; and that further he had taken no money up to the Parliament Buildings.

Q.—Well, that is very important evidence, and it is very desirable, of course, to have Mr. Haney before the Committee. Can you say anything about it?

A.—I think it is true, if you get a certificate that Mr. Haney cannot appear, that it is an important certificate because Mr. Haney is a very sick man, so much so that we have suspended dealing with certain matters of importance, believing that he was not in a condition of health to take them up.

Q.—Then you had not been able to see Mr. Haney for the past couple of months?

A.—Mr. Price, we have been pressing quite insistently to get these matters. I do not want to mention them, and I do not think I should mention them, they have no significance to this Committee,—at least that is my opinion—dealt with; and as I say from time to time I have received advice from his medical adviser that he was not fit to take them up. I believe that advice is correct.

Q.—Then was there any doubt in your mind, Mr. Clarkson, as to Mr. Haney's statement concerning the questions you asked him?

A.—Well, I can only say he made the statement, Mr. Price. You mean, how did I judge his statement?

Q.—Was it a positive statement?

A.—Absolutely it was a positive statement on his part.

Q.—Then did you have any further talk with Mr. Whittaker since that time? Since you saw Mr. Haney?

A.—No. I said, How do you do to him in the hall as we passed here; but I have not seen him since.

Q.—Then, Mr. Clarkson, the information or statement which Mr. Whittaker made to you did not come before me at the time that I produced him as a witness here?

A.—No, sir. I had spoken to Mr. Whittaker about these matters several times, and as I say to you, the first information that I had on the subject—and it is a matter of importance to the Bank, because if moneys, this hundred thousand dollars which has been paid out, is out of the assets of the bank, and I am entitled to recover it if I can find out who has got it.

Q.—As liquidator your duty is to follow up all avenues to get the money that really belongs to the Home Bank?

A.—That is my duty.

Q.—And this item of \$42,000, which appears to belong to the Home Bank, you are anxious to collect for the bank?

A.—That is my duty, to collect it.

Q.—Do you make any claim on the \$15,000?

A.—That is a matter where I will take advice of counsel, Mr. Price. If there was no arrangement with the Province for a refund of \$15,000, yes, that is the bank's money.

Q.—Is there any other matter that you would like to mention?

A.—I do not know that I have anything more to say than I have said the other day and say now. I can only say this to you, that the matter has been before us continuously and I have made an examination since that time of certain accounts in the bank feeling that there might be something in them, and there was not anything in them. I feel personally that there is nothing in them, and I do not want to mention those accounts. If there was any item of interest in them, I think it should come before this Committee. There was no item of interest, and I think it would be unfair to state them.

Q.—Since you were here, Mr. Clarkson, I believe you did find a box of papers of some kind. I do not know whether this concerns us or not.

A.—I found a box of papers. Here again I do not know whether that will concern this matter or not. Mr. Whittaker told me that there was a box with some of Colonel Mason's papers in it, and I had that box brought down to my safe, and it is in the safe now waiting to be opened when an administrator is appointed to the Mason estate and the Crown representative is present at the same time. I did not want to go through papers which may be personal.

Q.—You have possession of them?

A.—I have possession of them absolutely.

Q.—Were there any other papers discovered?

A.—No. I was told of a pile of papers which I knew about. There was a statement made to me that there should be more of those calendar pads than were produced here, and I have had further efforts made to find them; but they are not there. Outside of that, I do not know of anything.

Q.—Have you made every effort, Mr. Clarkson, to find out where this missing cheque of \$15,000 would likely go?

A.—We have made every effort, but you can quite understand that there is an enormous volume of papers in this bank, over twenty or thirty years. We have looked through a lot of them; we have looked in every place where we think it might be, and we have not found it. I cannot say to you but it might turn up some day or other in there or it might not.

Q.—You are continuing your investigations?

A.—It is a continuous matter. We are going through papers all the time in different matters, and if it is there we might run across it. But so far as we have looked I do not think it will be found there.

THE CHAIRMAN: Some members of the Committee seem to think that there is some mysterious way by which it will be possible to trace these legal tenders. You have had perhaps as much banking experience as anybody in Canada. Is there any way by which they can be traced in the city of Toronto?

A.—If you would subpoena every bank in the country and have them produce their deposit slips until you would run across the deposits in legals, and then sift that down, you might probably come across some track; but you know how many branches or banks there are in this province. They don't keep records of the numbers of legals.

Q.—You suggest if we examined every bank in Canada?

A.—Or, supposing you put it in Ontario. But is that within your power, to ask to look over the accounts of all customers of all the banks?

Q.—We have felt that we had to lay some foundation?

A.—The only way you could find them out, I think, Mr. Finlayson, is if you had power to get from the banks copies of all their deposit slips over the period or times when these transactions took place, and then run through all of those and pick out those which had legals on them, and then sift them down. You might come across some trace of it.

MR. MACBRIDE: After you had done that you would not have anything definite, even then?

A.—You would have to prove that the legals come from this source.

Q.—You would not have anything definite that the legals did come from this source?

A.—It is only an indication which you would again have to furbish up with additional evidence.

MR. SINCLAIR: Were there any transactions of a similar nature prior to September 23rd, 1919?

A.—I asked Mr. Nash for a statement of all the transactions, and the statement of all the transactions, and the statements we have filed are all the transactions. There is one other transaction which I did not report, in a subsidiary company, where in June, 1919, a cheque was cashed for \$10,000 and the money was taken up to Mason's house in hundred dollar bills. Nine of those bills went through his account in the Central Canada Loan Company. The other ninety-one of those bills have disappeared. That is a loss of \$10,000 more to the bank by its marking a cheque against an account which was in default and is not worth a hundred cents on the dollar. So that is a further peculation of ten thousand dollars because it leaves that loss to the Home Bank.

COL. CURRIE: That is the Central Canada Loan Company?

A.—Mason had an account in the Central Canada Loan Company. I understand nine of them went into his account there; the other ninety-one I do not know where they have gone.

MR. GRAVES: You have been through the Mason account. Was he in the habit of taking money out in that way and depositing it in his own account in some subsidiary—were there any transactions outside of the transaction involved here where you could see Mason took money out of the bank in a similar way?

A.—There are transactions where he took money out of the bank, but not

in the way of legals. I have looked over his bank account for a number of years and I do not find any more transactions involving legals in them.

Q.—What was the largest bill issued by the Home Bank—bank note?

A.—I do not know whether they issued a hundred dollar bill or not. Yes. I think they issued hundreds.

MR. CURRIE: Didn't they issue five hundreds?

A.—Five hundreds, no, I do not think so. I think one hundreds was the maximum, Mr. Currie.

Q.—I understood you to say that some official of the bank informed you that the \$25,000 which went through was given to Mr. Haney?

A.—A late official.

Q.—Who took it to the Parliament Buildings?

A.—A late official of the Home Bank informed me on Friday last that he had a recollection of Mr. Cooper Mason telling him that this \$25,000 cash in legals had been handed to Mr. Haney and taken by Mr. Haney up to the Parliament Buildings. Following that up, I saw Mr. Haney this morning and asked him about the matter and as to whether he had any money. And he said he had received no money from Mason and had taken no money up to the Parliament Buildings.

Q.—You have not seen Whittaker since on the same question?

A.—I have not discussed it with him since.

MR. McKEOWN: Would Mr. Haney be able to make an affidavit covering what you have told us, if he is not able to appear here and give evidence?

A.—I think you could get him to make an affidavit. I had difficulty this morning to see Mr. Haney. I was told that nobody was allowed to discuss business with him. I think those instructions were proper, having regard to the state of his health, having regard to what I have seen.

Q.—I thought possibly with a medical man with him—

A.—Mr. Haney is perfectly competent mentally to do anything. He looks to me very sick physically, although they say he is getting better.

Q.—I would suggest that that should be done, because if Mr. Whittaker goes into the box, as to what Mr. Clarkson says, and says that he was told by Col. Mason just as Mr. Clarkson says, it would be the best we could get at any rate, an affidavit from Mr. Haney as to his stand in the matter. It might be that we would never be able to have the evidence direct from Mr. Haney, and it seems to me that the best evidence we can get we ought to have.

A.—The reason I went to Mr. Haney was I knew that he could not come into the witness box, and I have been pressing these things myself, as to these Richardson charges which are going before the Court. If Mr. Haney had been competent to come before this Committee I would not have gone to him; but, knowing he could not come before the Committee, and having a duty to follow it right up, I went there.

MR. CURRIE: I think we will have to adopt some plan of seeing Mr. Haney with a small committee and getting his evidence in some way like that. I would move to that effect. I am very sorry for Mr. Haney, but this is a very vital matter.

HON. MR. PRICE: Would it be proper to ask Mr. Clarkson to go with the chairman of the committee?

MR. CURRIE: I would be content with that.

HON. MR. PRICE: And if a representative from each side of the House would like to go,—but I do not know that that is advisable.

MR. CURRIE: I would be content if we could get Mr. Haney's evidence under oath.

HON. MR. PRICE: I would move that Mr. Clarkson with the chairman go and see Mr. Haney and get his sworn statement and bring it before us.

MR. CLARKE: You might suggest with that, whether if Mr. Haney did not deliver anything to the Parliament Buildings, he has any knowledge whether anybody did deliver it or anything about that.

MR. SINCLAIR: The whole difficulty about this is as a matter of evidence it would not be any good. You could not produce it in Court or in any institution without the opportunity for cross-examination. If Mr. Haney cannot be cross-examined certainly his evidence in chief cannot be taken. It certainly would be of no particular value as evidence on the record to have a declaration or statement like that.

MR. CURRIE: An affidavit would be admissible in any Court?

MR. SINCLAIR: I am glad my senior counsel is so sure. I have never been able to get one in. This affidavit of Mr. Haney will not be worth anything under the rules of evidence. That is the way we have to take evidence here. We are unfortunate that Col. Mason cannot be here; but he is dead.

MR. CURRIE: I would suggest that we add Mr. Sinclair to that committee.

MR. SINCLAIR: I would not like to do that.

HON. MR. PRICE: Would you suggest, Mr. Sinclair, that we do not go?

MR. SINCLAIR: I do not know. We do not know whether Mr. Whittaker will give this evidence or not. You have got Mr. Clarkson in ahead of him.

MR. CURRIE: We will fix him if he doesn't say it.

HON. MR. PRICE: Mr. Clarkson has a duty to the Attorney-General and to the public and he follows up all these things.

THE CHAIRMAN: Mr. Clarkson and I are friends of long standing and I would be glad to go over with him, but I would not force myself in on a sick man if the doctor says not.

MR. CLARKSON: I had great difficulty in getting him. I had to say that I would not take more than two minutes in asking him questions, and that they did not relate to his own business.

MR. CURRIE: Leave it to his own discretion, with power to act.

THE CHAIRMAN: This has been regarded by the press and some members of the Committee as an extremely important matter. Speaking for myself and for the majority of the Committee, everybody is loath to shut off any possible means of getting information; and if the Committee would leave it in this way that we may go there and if the doctor says we should not see him, we could come away.

MR. BELANGER: The evidence which you would go after would not be of any value in a court or in this Committee—it would be the evidence of a very sick man.

THE CHAIRMAN: As Mr. Sinclair says, that evidence is not admissible and would not be received in any court, notwithstanding Col. Currie's legal opinion to the contrary. But what we want to do, if there is any possible means of getting it before the House adjourns, is to exhaust every possible avenue of getting any information.

MR. BELANGER: You would be going to ask a sick man if he was guilty of conspiracy. The kind of evidence he would give would not be of any value in any court.

MR. SINCLAIR: The Committee will understand that in taking this affi-

davit, the Chairman and Mr. Clarkson will have to go with a copy of Mr. Whittaker's evidence. Mr. Haney will have to read it over or have it read to him, and they would have to build an affidavit or declaration in contradiction or whatever Mr. Haney says as to it. That is what it would have to be even to allow it to come inside of the door.

THE CHAIRMAN: From what the doctor and Mr. Clarkson say, I think we are taking a very slim chance.

HON. MR. PRICE: Of course, Mr. Sinclair, there is talk about Mr. Haney's evidence. All that we have here is the hazy recollection of Mr. Whittaker of what Col. Mason told him. Now, if Mr. Haney's affidavit is not as good as that or better, I would leave it. We have to take everything we can get.

MR. CURRIE: It is very important for Mr. Haney that he should clear this up, because if he does not he will have Mr. Clarkson after his estate. If Mr. Whittaker can prove that Mason gave him any evidence to show that Haney took that money, then Mr. Haney's estate is liable. As far as I am concerned it is a question of credibility of Mr. Cooper Mason and Mr. Haney, and, as far as their evidence is concerned, I know which one I would believe.

MR. SINCLAIR: That would give the weight of Mr. Haney's evidence.

MR. McKEOWN: We have proceeded in this Committee accepting evidence which my learned friend Mr. Sinclair knows would never be accepted in a court of law if any man was in the box being accused. No one is in the box but we are attempting to get every bit of evidence we can to place before the Committee. I do not care where it comes from or of what nature it is, we want to let the Committee have it and weigh it for what it is worth. It may not be worth the paper it is written on when we get it here; but I think the best thing is to get it here.

MR. SINCLAIR: I have no objection to that.

MR. CLARKE: Mr. Haney is a very sick man, no doubt. Mr. Haney can quite conscientiously and honestly say that he never took a dollar up to the Parliament Buildings or any place else, but it appears to me that he is that sick that we cannot go into a cross-examination. I do not think I would have taken it up to the Parliament Buildings, if I had been Haney. I would have had somebody else to do it. So that there are lots of things to be got out of it.

MR. CURRIE: Don't try to twist out of it.

MR. CLARKE: The very fact of the man going in and seeing Mr. Clarkson, —and I have every faith in Mr. Clarkson—the Committee would have to say to Mr. Haney: Mr. Haney, you are charged by so and so that you got a cheque or cash for \$25,000 and took it up to the Parliament Buildings. Supposing he takes an affidavit that he did not do it, and it would be perfectly straight and true, still there are lots of avenues by which it might reach the Parliament Buildings. Even if you get his affidavit that he did not get it or deliver it, you are not out of the difficulty.

MR. CLARKSON: Mr. Haney made two statements; first, that he never got \$25,000 or \$12,000 or any money from Mr. Mason; and, secondly, that he never took any money to the Parliament Buildings.

THE CHAIRMAN: The motion is by Col. Price, seconded by Mr. McKeown, that the Chairman and Mr. Clarkson be requested to see Mr. Haney, if possible, and if he is able to procure a statutory declaration from him as to the facts that have been mentioned here to-day.

MR. McKEOWN: Or that may be mentioned.

MR. CURRIE: Mr. Chairman, wouldn't it be well to have a stenographer there?

THE CHAIRMAN: No.

The Chairman put the motion, which was declared carried.

MR. CURRIE: Mr. Clarkson, have you made any examination of the late Cooper Mason's account in connection with the Central Canada Loan at all?

A.—No, sir. I will tell you why. I have been applying for a administrator to his estate. Prior to the appointment of an administrator to his estate, I do not see that I have any power to go to the Central Canada to get a statement of his account from the Central Canada.

Q.—Some of these bills which you gave evidence about went from him into that account?

A.—Yes. I was told that by his solicitor.

Q.—I do not know just what the law is, but I think if it could be done we should have you do that?

A.—I think if you would pass a resolution here, that the matters towards putting the affairs into administration are so far advanced that they would probably accede to your request.

MR. GRAVES: I would move, Mr. Chairman, seconded by Mr. MacBride, that auditor Clarkson be instructed to make an examination of any accounts of the late J. Cooper Mason with the Central Canada Loan and Savings Company and report to this Committee to-morrow afternoon, if possible.

THE CHAIRMAN: To-morrow morning.

(The motion having been submitted was carried and was so declared by the chairman.)

Joseph Chas. Whittaker, recalled.

THE CHAIRMAN: Mr. Sinclair.

MR. SINCLAIR: We have been discussing, Mr. Whittaker, a matter of a provincial loan in 1919, September 23rd, from the Home Bank. The Home Bank bought the loan which was issued by the Provincial Treasurer. Now in September, 1919, what were you doing?

A.—I was supervisor of the Home Bank.

Q.—Did you know anything about a provincial loan going through the Home Bank?

A.—Yes.

Q.—What did you know about it, or what part had you in it?

A.—Not any direct part, but it would be office knowledge that should come to my information.

Q.—Well, what office knowledge came to your information in connection with this loan?

HON. MR. MCCREA: Was this office knowledge or office gossip?

MR. SINCLAIR: Who did you get it from?

A.—From Col. Mason.

Q.—Then what did you hear from Col. Mason or what information did you get?

A.—That the Province were putting through a loan.

Q.—Anything about the loan?

A.—Oh, there would be many conversations in connection with it, in regard to the placing of it, the price of it.

Q.—Anything in particular that struck you as of particular interest about this loan, or that would interest this Committee?

A.—No, not beyond what has already been stated.

Q.—You have read the evidence in the papers, I suppose, about the \$25,000 tem?

A.—Yes.

Q.—Being paid out by the Home Bank on the 23rd September?

A.—Yes.

Q.—Do you know anything about that?

A.—As I told Mr. Clarkson, on thinking back over the circumstances, Col. Mason told me that it was going to the Parliament Buildings by Mr. Haney.

Q.—What was going?

A.—The \$25,000 in legals.

Q.—He told you it was going in legals to the Parliament Buildings?

A.—Yes.

Q.—Did you see Mr. Haney that day?

A.—Yes—I would not swear as to that day.

Q.—Did you see the \$25,000 or any package that would indicate that?

A.—No.

Q.—You did not see any envelope?

A.—No.

Q.—But Col. Mason told you that \$25,000 was going to the Parliament Buildings that day?

A.—Yes.

Q.—What else did he tell you in connection with that?

A.—Oh, he may have told me a great many things.

Q.—Not what he may have, but what do you remember that he did tell you?

HON. MR. MCCREA: Were these instructions in connection with the transaction?

MR. SINCLAIR: Apparently they were pretty close to it, when the money was going to the Parliament Buildings on the day of the loan, and he got this from his superior officer, Col. Mason.

THE CHAIRMAN: Ask him what Col. Mason said to him.

MR. SINCLAIR: What did Col. Mason say to you?

A.—He said \$25,000 is going to the Parliament Buildings.

Q.—On that day?

A.—On that day.

Q.—Did he tell you how it was going to go?

A.—Yes.

Q.—Well, what did he say as to how it was going to the Buildings?

A.—It was going to the Buildings by Mr. Haney.

Q.—And Mr. Haney was then what officer of the Bank, or was he any officer?

A.—He was President of the Bank.

Q.—Mr. Haney was President of the Bank and that this money was going to the Parliament Buildings in the hands of the President of the Bank?

A.—Yes.

HON. MR. PRICE: Mr. McGarry seemed to think that Mr. Haney was not President of the Bank at that time.

HON. MR. MCCREA: Do you swear that Mr. Haney was President of the Bank in 1919?

A.—Yes.

MR. SINCLAIR: Now what else did you hear from Col. Mason?

A.—What do you want to know?

Q.—Well, about this very transaction. I do not want to put words in your mouth.

COL. CURRIE: Go ahead, Whittaker, and tell your story and stop chewing gum.

MR. SINCLAIR: Yes. Now, what else did Col. Mason say to you that day?

A.—Nothing beyond that.

Q.—Did you see Mr. Haney about the bank that day?

A.—I could not swear now that he was there on that day.

Q.—And you cannot tell the Committee whether he left for the Parliament Buildings or not?

HON. MR. PRICE: He said he could not.

MR. SINCLAIR: Is there anything else in connection with this \$25,000 matter that you heard of at that time?

HON. MR. MCCREA: Do you mean mere rumour, ordinary bank gossip, or that Mason said to him?

MR. SINCLAIR: In the bank,—if we are entitled to get on the record evidence as to what Mr. Haney said, I think we are entitled to get this which is more direct evidence.

HON. MR. MCCREA: If it is bank gossip, that is one thing, but if it is instructions that his superior officer gave him, that is another thing.

MR. SINCLAIR: Is there anything else that Col. Mason told you that day, Mr. Whittaker?

A.—Col. Mason told me what I have already said, casually as gossip.

Q.—Did he tell you anything more?

A.—I cannot recollect.

Q.—Where were you when he told you this?

A.—In my own office.

Q.—And he came into your office?

A.—Yes.

Q.—Was he talking about anything else—bank business, I suppose, or something?

A.—No person can remember back all the discussions.

Q.—No, I understand. I am not quizzing you, but I want to find out from you whatever Col. Mason told you that day in relation to the \$25,000. Now, you cannot think of anything else than that?

A.—No.

Q.—Did you get any further information from any other person in the Bank about it?

A.—No.

HON. MR. PRICE: When you were up before you had not recollected that?

A.—I had not, no.

Q.—And you did not tell me that?

A.—No.

Q.—I did not know anything about it?

A.—No.

Q.—So I could not have brought it before this Committee?

A.—No.

Q.—That is quite right?

A.—That is true.

Q.—When you brought this to Mr. Clarkson's attention, just what was it brought it back to your mind? I mean you must have got some new light—what was it?

A.—Inspector Greer asked me if the Bank had a chauffeur. He asked me if Col. Mason had a chauffeur, and I said no, that the Bank had one, and that the Bank chauffeur occasionally drove Mr. Haney. And I started to think back in connection with it and I remembered that the Bank car was driven that day on Mr. Haney's business.

Q.—Yes, now did Mr. Greer get in touch with the chauffeur?

A.—The chauffeur is in California.

HON. MR. PRICE: For the information of the Committee: I had information that the chauffeur might know something about this transaction, and I placed it in the hands of the police and they tried to get that. So that got you thinking along this line?

A.—That is right.

Q.—And you had no instructions from the General Manager about this matter?

A.—None.

MR. CURRIE: You didn't remember that, Mr. Whittaker, when you were here before?

A.—I did not.

Q.—Are you sure you didn't?

A.—I am looking at you direct and telling you I did not.

Q.—You were not altogether a willing witness, you know, the last time you were here. Has anybody else spoken to you about this except the officer of the Crown?

A.—No.

Q.—You weren't down at the *Globe* office telling them about it, were you?

A.—No, sir.

Q.—You weren't telling anybody in this Committee, were you?

A.—No.

Q.—How did it get out here, that Mr. Sinclair knew all about it, and he subpoenaed you here?

A.—I do not know.

Q.—You must have some idea,—who were you talking to about it?

MR. SINCLAIR: Don't you think I know anything, Colonel?

MR. CURRIE: Well, I know that you are a pretty good mind reader. How in the world he knew something which you had not told any member of the Committee before you came in here. You told Mr. Greer, did you?

A.—No, I told Mr. Clarkson,—that is wrong, I told Major Nash.

Q.—This gentleman here, of Clarksons?

A.—Yes.

Q.—Was there anybody from the *Globe* office interviewing you?

A.—No.

Q.—None of their reporters?

A.—No.

Q.—You have not disclosed this to anybody except Mr. Nash, and then you disclosed it to the Committee?

A.—Yes.

Q.—Mr. Price could not have known of it?

A.—No.

Q.—Mr. McGarry did not know anything about it?

A.—No.

Q.—Was Mr. Cooper Mason in the habit of telling truths all the time;—was he a reliable man when he told stories around the bank?

A.—No.

Q.—All right. Now we are getting on common ground. There was a rumour around the Bank,—what day were those legals drawn this day that you speak of?

A.—Which legals are you referring to—this \$25,000?

Q.—This \$25,000 that was drawn out of the Bank that day, that was a pretty big draft on the Bank that day, wasn't it?

A.—Yes.

Q.—And there was a rumour went around the corridors that that was for some purpose?

A.—I don't know.

Q.—Would it be natural for Mason, if Mr. Mason was putting that to his own account, to start a story around that he was sending it up to some person at the Parliament Buildings?

MR. SINCLAIR: Get the facts. If we must educate you young lawyers, we must do it right.

MR. CURRIE: Well, I have forgotten as much law as you know. Is that the story which went around the corridors of the bank—you know what gossip there is around a bank?

A.—No.

Q.—You know they were all tip-toeing and looking through keyholes all the time, to see what is going on?

A.—Not in my department.

Q.—However, your curiosity was a little unsatisfied until Mr. Mason told you this story—was that right?

A.—No.

Q.—Who drew the cash out of the teller's office?

A.—I do not know.

Q.—And yet you knew that day that \$25,000 had gone out?

A.—Mason told me.

Q.—Then that was his explanation of it, was it?

A.—Yes.

Q.—We have been given evidence here to-day—by the way, you were told to keep out of this room, this morning, weren't you?

A.—Yes.

Q.—Still you came in to listen to hear what Mr. Clarkson had to say about you?

A.—Yes.

Q.—Do you think that you were playing fair with this Committee?

A.—Yes.

Q.—You sat here and heard all the evidence in which he dealt with you?

A.—Yes.

Q.—Did you get any of that money?

A.—No.

Q.—You did not share that money with Mason?

A.—No.

Q.—Are you sure?

A.—Positive.

Q.—Are you under indictment now?

A.—No.

Q.—Is there anything hanging over your head in connection with the bank?

A.—I do not know.

Q.—You say Mason told you?

A.—Yes.

Q.—Did you tell anybody around the bank this?

A.—No.

Q.—The teller must have known that Mason went down and got that \$25,000?

A.—Yes.

Q.—You didn't see Mr. McGarry hanging around the bank that day, did you?

A.—No, sir.

Q.—Did you recognize any toll gate keeper around the Home Bank that day?

MR. SINCLAIR: Apparently he was not there.

MR. CURRIE: Leave him alone. This story of yours has gone up a blind alley. This *Globe* robin has fallen down and turned out to be a lame duck.

MEMBER: It has got wings, though.

MR. CURRIE: That is what it was intended for—wings. You didn't see Mr. McGarry around the bank when any \$25,000 transaction like that was going through?

A.—No.

Q.—You always understood that Mr. McGarry was a man of honour?

A.—Yes.

Q.—If you had your choice to say, which would you trust \$25,000 with Mason or McGarry quicker?

A.—McGarry.

Q.—Now, who would you believe first, McGarry or Mason?

A.—McGarry.

Q.—Do you believe now that Mr. Mason gave that money or sent it up to the Parliament Buildings?

MR. SINCLAIR: Oh, here now. Surely, Mr. Chairman, this thing has gone as far as it is going to go,—it must be stopped somewhere,—asking a man if he believes.

MR. CURRIE: We have asked that question a thousand times here. You have got yourself into a mess here to-day.

MR. SINCLAIR: If this Committee is willing to stultify itself I have no objection.

MR. CURRIE: Now you sit down. You have got yourself into a mess to-day.

MR. SINCLAIR: I may be in a mess to-day, but I am not every day like you are.

THE CHAIRMAN: Surely this is a serious matter. Get facts.

MR. CURRIE: It is a serious matter and I am trying to clear it up. Do you know Mr. McGarry?

A.—Yes.

Q.—And you know Mr. Mason?

A.—Yes.

Q.—Which one would you believe first?

THE CHAIRMAN: He has told you that.

A.—Mr. McGarry.

MR. CURRIE: From circumstances that have arisen in connection with the bank, do you think that Mr. Mason put that money to his own account,—you know he put part of it to his account.

MR. FISHER: I do not think this is the right way to go about getting the information wanted for this Committee.

THE CHAIRMAN: I am suggesting to Col. Currie that he ask him, Did anything occur which would lead him to think that.

MR. CURRIE: I started that way, but Mr. Sinclair stopped me. I want to get this question in in some way. Did to your knowledge any circumstances occur in connection with the bank whereby you knew that Mr. Mason put some of the money that is under discussion that is here under his own account?

A.—No.

Q.—You have heard evidence here to-day of Mr. Clarkson, stating that a certain amount of this money was put to his account?

A.—Not some of that money.

Q.—I mean of similar moneys?

A.—Yes.

Q.—Then looking at that fact and looking over things calmly, what would you think happened to that money? Do you know where that money went?

A.—No.

Q.—You don't. What were you brought here for?

A.—I do not know.

MR. FISHER: Mr. Whittaker, when the Minister was asking you a short time ago how it was you recollected this conversation, you told him something about a chauffeur. What was that?

A.—That the chauffeur of the bank drove Mason quite frequently, and that he on numerous occasions drove Mr. Haney.

MR. CURRIE: What is that?

THE CHAIRMAN: One at a time.

MR. FISHER: And what else? Up to the present time, you have not told us anything that would recall a conversation?

A.—What do you want to know?

Q.—What the Minister wanted to know how it was that you remembered this thing now and did not remember it last week?

A.—Well, when you refresh your memory.

Q.—Now, tell us what refreshed your memory?

A.—Thinking over the questions.

Q.—Go ahead, let us have your train of thought. The chauffeur used to drive Mr. Mason and he used to drive Mr. Haney. Now what is the next thing?

HON. MR. MCCREA: Do you mean does he remember the days he drove Mr. Haney?

MR. FISHER: What did the incident have to do with it?

HON. MR. PRICE: Didn't he say he was driving Mr. Haney on his personal business that day?

MR. FISHER: Do you say that on the day Mr. Mason told you this or you had this conversation, the bank's chauffeur drove Mr. Haney?

A.—Yes.

Q.—Is that the day this money is supposed to have come to the Parliament Buildings?

A.—I could not swear as to the exact day.

Q.—About the day?

A.—About the day.

Q.—And did you see Mr. Haney on that day?

A.—Yes.

Q.—And you saw the chauffeur driving him on that day?

MR. CURRIE: Don't suggest.

MR. FISHER: Did you or did you not, on this day that you are talking about?

A.—Yes.

HON. MR. MCCREA: What day was that?

MR. FISHER: The day Mr. Mason told him, Mr. Haney was going to take some money to the Parliament Buildings.

MR. CURRIE: He did not. He told me positively he did not. Now he is trying to square himself.

MR. FISHER: Was Mr. Haney in the bank that day?

A.—Yes.

MR. CLARKE: That is what he says now.

MR. FISHER: He was?

A.—Yes.

Q.—Whereabouts in the bank?

A.—In his own office.

Q.—Whose office?

A.—His office as President.

Q.—Was he in Mr. Mason's office?

A.—He would be in and out of Mr. Mason's office all day.

Q.—Did he get any bills that day?

A.—I do not know.

Q.—Quite sure you don't know?

A.—Positive.

Q.—But he did come in that day and was in and out of Mr. Mason's office and was driven by the chauffeur?

A.—Yes.

Q.—Can you tell where he went with the chauffeur?

A.—He went to the Parliament Buildings.

Q.—How do you know that?

A.—Because I had to wait for the car.

Q.—Where?

A.—On Richmond Street, at the garage.

Q.—Tell us all about it. Come on. What were you doing at Richmond Street at the garage?

A.—Waiting for the car.

Q.—How did you come to be there?

A.—Because I drove the car home every night.

Q.—What time were you there?

A.—It would be after five o'clock.

Q.—The chauffeur was then out with Mr. Haney at the Parliament Buildings?

THE CHAIRMAN: Ask him what he knows about it.

MR. FISHER: I would like to know.

THE CHAIRMAN: If you ask him what he knows. He is making some statement as to which it is quite apparent he has no knowledge. It was after five o'clock.

MR. FISHER: Tell us what you know about it.

THE CHAIRMAN: Get that gum out of your mouth, and let us understand what you are saying.

MR. FISHER: Did you see the chauffeur go out?

A.—Yes.

Q.—With Mr. Haney?

A.—Yes.

Q.—From where?

A.—From the bank.

Q.—And did you see him come back with him?

A.—I did not see him come back.

Q.—Well, you said you waited. I do not know what that means?

A.—I waited at the garage for the car that day.

Q.—Did it come back?

A.—It came back later on. I do not know what time it came back; but when I came back to the garage again the car was there.

Q.—How do you know it had been to the Parliament Buildings?

A.—I do not know.

HON. MR. PRICE: It is all a mare's nest.

MR. FISHER: Did you have any conversation with the chauffeur that day?

A.—No. I accepted Mason's statement that it had gone there.

Q.—Was it before or after the car went out that you had the conversation with Mason?

A.—Before.

Q.—And what did he say?

A.—He said the chauffeur was going to drive Mr. Haney to the Parliament Buildings.

Q.—Was Mr. Haney there then?

A.—Yes.

Q.—Did you get the car for him?

A.—No.

Q.—Why was Mason telling you this?

A.—I suppose that he thought I might discover this, come across it, and he would have an explanation for it.

Q.—Of your own knowledge, you know nothing more than you saw the car drive away with Mr. Haney?

HON. MR. PRICE: He did not say that. He has not said that.

MR. FISHER: You did say you saw the car go away?

A.—Yes.

Q.—Can you tell us anything more about it?

A.—No.

HON. MR. PRICE: Mr. Whittaker, in connection with the chauffeur and this car, was it the habit to drive Mr. Haney daily when he wanted to be driven?

A.—When he wanted to be driven.

Q.—And to drive Col. Mason when he wanted to be driven?

A.—Yes.

Q.—And there would be nothing unusual in Mr. Haney getting the car and being driven on business matters?

A.—Not a thing.

Q.—And when Mr. Haney was driven that day on business matters, it was what Col. Mason said that pointed in your mind that he was going to the Parliament Buildings?

A.—Yes.

Q.—That is what got your mind working, directed on that?

A.—Yes.

Q.—I think you said at the beginning that you were not sure of the exact day, but it was a day around that time?

A.—Yes.

Q.—It may have been a couple of days before or it may have been the day after?

A.—Yes.

Q.—You do not recollect the exact day?

A.—No.

Q.—But that is what drew the matter to your attention, when Inspector Greer spoke to you about the chauffeur?

A.—Yes.

Q.—You got thinking that around that time you remembered Mr. Haney was driven to the Parliament Buildings by the chauffeur?

A.—Yes.

Q.—And that you waited over at the garage for the car?

A.—Yes.

Q.—Mr. Haney may have been out on business of various kinds?

A.—Yes.

Q.—And he may have gone to the Parliament Buildings or he may not?

A.—Yes.

Q.—What Col. Mason may have said to you on that occasion may have been a blind entirely?

A.—I am inclined to believe now that it was.

Q.—That it was a blind?

A.—Yes.

Q.—And if Mr. Haney said that he did not take any of this money, and did not get any of this money, would you believe Mr. Haney?

A.—I would.

MR. CURRIE: How much did Mr. Cooper Mason owe the bank then?

A.—He owed money. The books would show.

Q.—He owed into the thousands, didn't he?

A.—Yes.

Q.—Seventy or eighty thousand?

A.—No.

Q.—How near to that—fifty thousand?

A.—It would probably be around twelve or fifteen.

Q.—And how much did Mr. Haney owe the bank then?

A.—Oh, personally, he owed thousands of dollars.

Q.—When I say a hundred thousand dollars, I am not far wrong, am I?

A.—No.

Q.—You forgot to tell us who got at you and got this story out of you. Do you want to tell the Committee now?

A.—You cannot tell what you do not know.

Q.—Some of your friends—you must have gossiped with some of your friends and let the thing out?

A.—No.

Q.—There have been persistent rumours that you had a story to tell about a lot of money going up to the Parliament Buildings. Who would get that?

A.—I do not know.

Q.—Now, you have told the Committee everything that you can remember about this case?

A.—Yes.

Q.—You are not coming back with a fresh story to-morrow?

MR. CLARKE: He might think of something else.

A.—I might think of something else.

MR. CURRIE: Do you think you have satisfied the Committee now and told them everything about the transaction?

A.—Yes.

Q.—You have said it was a common occurrence for Mr. Mason to be brought down every morning with the chauffeur?

A.—No. Sometimes he walked. Mostly he drove himself in his own car.

Q.—How about Mr. Haney?—they sent the car to his house and brought him down?

A.—Sometimes.

Q.—Do you keep a diary?

A.—No.

Q.—You did not then?

A.—No.

Q.—You say Mr. Haney very often came to the bank and was driven there and driven away again by the chauffeur?

A.—Yes.

MR. FISHER: What was the chauffeur's name?

A.—B. Walker,—Benjamin Walker.

Q.—Do you know where he is?

A.—He has gone to California.

MR. CURRIE: No relation to Johnny Walker, is he?

MR. FISHER: How long were you in the Home Bank?

A.—From 1901, when it was the Home Savings and Loan Company.

Q.—What was your position in the Home Bank?

A.—Practically every position.

MR. WIDDIFIELD: Mr. Whittaker, you have said that Col. Mason told you, he was going to send \$25,000 up to the Parliament Buildings?

A.—Yes.

Q.—Did he tell you what it was for, what it represented?

A.—No.

Q.—Now, why did he tell you he was going to send it up?

THE CHAIRMAN: He has told us that he thinks it was a blind. Isn't it all guessing?

A.—I do not know.

MR. WIDDIFIELD: Why did he tell you he was going to send it up?

A.—Unless, because he was afraid I might discover it and ask him.

Q.—Why would he be afraid that you would discover it,—because you were Supervisor?

A.—Yes.

Q.—Then why did you not, as Supervisor, if you were suspicious that there was anything irregular about it, follow the matter up at the time?

A.—I did not know of the matter at the time.

Q.—Are you sure he did not say anything more about what the \$25,000 was for?

A.—Yes.

MR. CLARKE: He told you that there was \$25,000 coming up?

A.—Yes.

Q.—Mr. Mason came into your office?

A.—Yes.

Q.—Now, what led up to the fact that he told you about this \$25,000 that the President was going to handle and take up to the Parliament Buildings?

A.—We were standing looking out of the window.

Q.—Yes, naturally, and what did you say?

A.—I saw the car going with—

MR. CURRIE: You saw a car?

A.—I saw the bank's car going with Mr. Haney in it, leaving the office with Mr. Haney in it.

MR. CLARKE: That was the same day and the same time that the late General Manager told you that Mr. Haney had \$25,000 to take up to the, Parliament Buildings?

A.—Yes.

Q.—The same day?

A.—Yes.

Q.—What did you suppose,—did you suppose he was going or not?

THE CHAIRMAN: Ask him the facts or what circumstances showed any facts, not what he supposed.

MR. CLARKE: The fact was that the same hour and the same day that the General Manager told the next official, the Supervisor, that \$25,000 was going by Mr. Haney to the Parliament Buildings, you saw Mr. Haney going into the car, you saw Mr. Haney go away with the car, and I suppose your natural conclusion would be that he would land up at the Parliament Buildings?

A.—Yes.

Q.—Was not that your natural conclusion?

A.—Yes.

Q.—But there was no conversation with Mr. Mason after that or before that about the \$25,000?

A.—No.

Q.—Not even before?

A.—No.

Q.—You were just looking out of the window, and he simply told you, you say. As you say, you think he thought you might get onto it, and he told you about it?

A.—Yes.

Q.—That sounds to me very regular,—I am not a lawyer,—the fact is that the very day and the hour that the General Manager of the bank told you that \$25,000 was going by Mr. Haney to the Parliament Buildings, you saw the car, you saw Mr. Haney going into it and you saw the car depart?

A.—Yes.

Q.—And you supposed that he went to the Parliament Buildings?

A.—Yes.

MR. CURRIE: What day was that?

A.—I do not know the exact day.

Q.—You do not know what day of the week?

A.—No, not the day.

Q.—What time was it?

A.—After two o'clock,—between two and three.

Q.—Where is your office?

A.—8 King St., top floor.

Q.—Whereabouts in the bank?

A.—At that time it was in the southeast corner of the building, top floor.

Q.—And you were looking out of the window of the top floor?

A.—Yes.

Q.—Was the car a closed car?

A.—No.

Q.—It was not a closed car?

A.—No.

Q.—Was the top up?

A.—Yes.

Q.—The top was up and you saw him go in?

A.—Yes.

Q.—What story were you up on?

A.—The third story.

Q.—And you could see the car and see him get into it down on King Street, from the third storey?

A.—Yes.

Q.—You would have to be pretty well into the window?

A.—Yes.

Q.—Which way did the car go?

A.—West.

Q.—You would have to be looking out purposely to see a car?

A.—Yes.

Q.—Was Mason alongside of you?

A.—Yes.

MR. PROULX: Did you know that the four million dollar loan was going through that day?

A.—No.

THE CHAIRMAN: He has not said it was the same day.

MR. FISHER: Did you know anything about that four million dollar loan?

HON. MR. MCCREA: At that time?

A.—No.

MR. FISHER: When did you first hear about it?

A.—I do not remember the day I heard it first.

Q.—Did you know about the time it was going through, or not?

A.—Yes.

Q.—You were consulted about it, I suppose, before the bid was put through?

A.—Yes.

Q.—And you knew about the loan going through?

A.—Yes.

Q.—Do you know the date on which the bid was made?

A.—No.

Q.—The record shows it was the 23rd September. Can you recall that?

A.—Yes.

Q.—Now, this conversation which you had with Mr. Mason, what time was that, in reference to the 23rd of September?

A.—I could not swear.

Q.—What date was it that this \$25,000 in bills went out of your bank?

A.—The records will show.

Q.—Do you know?

A.—No.

Q.—Did you know at the time?

A.—No.

Q.—You were told that \$25,000 was going out?

A.—Yes.

Q.—Didn't you know the other end of it, that \$25,000 was going out on the 23rd?

A.—No.

Q.—You did not know?

A.—No.

Q.—Did you ever find that out?

A.—No.

Q.—Was it on the 23rd that you had this conversation with Mr. Mason?

A.—I do not know if that was the day.

Q.—It may or may not have been?

A.—It may or may not have been.

Q.—Wouldn't you have remembered whether it was the day on which you put in the bid for the big bond issue?

A.—No.

Q.—You would not remember?

A.—No.

Q.—You swear positively you cannot help us any further as to that?

A.—Yes.

MR. CURRIE: And now, after it was all over, you have come to the conclusion that Mason was kind of yarning you?

A.—Yes.

MR. SINCLAIR: Before we call the next witness, I would like to know the position we are in in reference to other witnesses,—Mr. Doherty, I believe, subpoenaed Mr. Haney. There are Mr. Mathews and Mr. Mason. Mr. Mathews is the most important witness of all. I raised the question in the House the other day as to how he got away and as to what steps are being taken to get him back. We have had a subpoena issued and I would like to know if the subpoena has been served on him, or if this Committee may expect to have Mathews here before us.

HON. MR. PRICE: Inspector Cuddy is here and would go in the box. I think perhaps we had better have Mr. Harris first.

MR. SINCLAIR: This would only take a minute. Inspector Cuddy may tell us whether Mr. Mathews has been subpoenaed or not.

Inspector Alfred Cuddy, called.

MR. SINCLAIR: There has been subpoenas for Mr. Mathews and Mr. L. C. Mason. I understood that they would probably be here to-day, and I wanted to know whether they had been reached by subpoena or not.

A.—I am sorry we cannot find them. We have done everything in our power to serve the subpoenas. We have searched every place that we could get any traces of them at all, but they could not be found.

Q.—I do not want you to answer if it is contrary to your business, you know. You cannot say whether we can reasonably expect them in another day or two days?

A.—As far as I know, I would say you might not expect them in another day or so.

MR. CURRIE: What about Mason?

A.—I am not so sure about him.

Q.—His parents are trying to get him back?

A.—I understood he may be got back.

Q.—Did they inform you that he was at the Soo?

A.—No.

MR. CLARKE: Do you know where Mr. Mathews was at any time during the past week?

A.—I have heard rumours, but I do not know as a fact.

Q.—Did you follow up the rumours?

A.—Yes, I did.

MR. MACBRIDE: Are the Provincial Police doing all they can in order to serve the summons?

A.—They certainly have been.

THE CHAIRMAN: The matter has been in your hands, and you have done the best you could ever since the trouble occurred?

A.—Yes.

THE CHAIRMAN: All right.

George R. Harris, recalled.

HON. MR. PRICE: Mr. Harris, when you were before the Committee a couple of weeks ago, you produced certain documents for the Committee's supervision and inspection, and Mr. Clarkson was delegated to go over these documents and books, and made a report here this morning. Now he tells us that there is no record of the \$5,000 going to Mr. Browning. What do you say to that?

A.—No record where?

Q.—No record in your books, in the Provincial Securities, or any of the Morgan Dean, Harris and Browning companies of \$5,000 going to Mr. Browning as a loan or in any other capacity. What have you got to say to that?

A.—Well, it may have been paid out of my own personal account.

Q.—Was it paid out of your personal account,—you have told us before that it was paid out of the Browning, Harris and Northey account?

A.—I do not remember making that statement, Col. Price. I made a statement that Mr. Browning had received \$5,000 from me, but how I paid it to him I am not sure.

Q.—How did you pay it to him—by cheque or legals?

A.—By cheque. That is the only way it could have been paid.

Q.—You have not produced the cheque and you have not proved to the Committee that it was paid to him?

A.—It can be proved by Mr. Browning.

Q.—You produced books and you say the \$5,000 went to Mr. Browning, and there is no record of the \$5,000 going?

A.—My personal vouchers have not been produced.

Q.—You knew that the onus was on you to show that the \$5,000 of the Provincial Securities moneys went to Mr. Browning, and you have had two weeks to show it?

A.—As far as I see it, Col. Price, the only way it could have gone is from my personal account or from my wife's account, otherwise I do not know.

Q.—Then the next item. You swore that \$4,000 went to Mr. Caldwell, and the records which are produced here show that the loan was made by the company a year after this transaction and did not go out of the Provincial Securities moneys. How do you explain that?

A.—The record that I gave you was of the moneys that I expended and were given from memory of approximately the amount of money I made out of the Provincial Securities Company. It is absolutely impossible to remember where they went from.

Q.—It was not from memory. The records which we have produced show that something like \$31,000 was made out of the Provincial Securities, and the \$4,000 which you say went to Mr. Caldwell are not included as a disbursement out of that amount, but it is apparently a loan from your company a year after the Provincial Securities transaction?

A.—I do not think so.

Q.—The records are there. You were here on oath and you were asked to account for that \$37,000, and you started out by saying that \$5,000 went to Browning and \$4,000 went to Caldwell, and what you did with it. Exhibit No. 190 shows the date of the loan, from March 14, 1922, to June. November 30, a thousand dollars; that is a business transaction, a thousand dollars on each side—

HON. MR. PRICE: I would like to have Mr. Denman out of the room, because we may have to call him again.

THE CHAIRMAN: Don't go any great distance.

HON. MR. PRICE (resuming): So that when you said you had made the loan of \$4,000 to him out of that money, it would not be correct, Mr. Harris?

A.—Well, as far as I remember, Col. Price, my statements as to the money I disbursed did not necessarily say it came direct as checked out from the Provincial Securities. It might have gone into my own account or into Browning Harris.

Q.—This went out over a year afterwards. You have been here before and given very unsatisfactory evidence, and I want you to tell the Committee now your explanation of it. Do you say you cannot make any further explanation of it?

A.—I know this, sir, that I have got cheques, personal cheques of my own, showing different loans to Dr. Caldwell. I do not know what they total. I do not know how those entries are mixed up or are there.

Q.—Why didn't you tell Mr. Nash when he was there to clean up his transaction? You knew he was there to clean up the Browning \$5,000 and the Caldwell \$4,000. Why didn't you tell him?

A.—I am particularly not certain why I did not tell him. I do not think he pressed the matter particularly.

Q.—The money that you made out of the Provincial Securities, deposited in the Bank of Toronto, you bought bonds of various kinds with that—the whole profit you bought bonds with?

A.—Practically all.

Q.—And the bonds cannot be traced. Now to whom did you give the bonds?

A.—I kept the bonds myself and gave some of them to my wife.

Q.—Those various bonds, amounting to \$31,000?

A.—Whatever it was.

Q.—The profit out of that Provincial Securities account, you kept some of them yourself and gave the balance to your wife?

A.—As far as I remember.

Q.—And that dealt with the whole amount of those bonds?

A.—I think so. I am not certain. I know some money went to the Bank of Toronto. I do not know how much it was.

Q.—Were these bearer bonds?

A.—Yes.

Q.—Very popular bonds, aren't they?

A.—They always are.

Q.—Hand them around quite readily. Can you trace them as easily as thousand dollar bills?

A.—I do not know.

Q.—Did you ever try thousand dollar bills?

A.—No, sir.

Q.—They seem to be quite popular, too?

A.—They evidently are.

Q.—Now, can you tell me what stocks or bonds you kept and what your wife kept?

A.—No, sir, I cannot.

Q.—You cannot tell me what you kept or what your wife kept?

A.—I am dealing with bonds all the time. These things are continually changing.

Q.—This \$31,000 profit which you made out of the blind bond house, you know?

A.—Transactions might have taken over a period of a long time.

Q.—It just took about three and a half months to make it?

A.—Yes, but it might have taken a little longer—

Q.—It might have taken you longer to spend it. You bought Grand Trunk Pacific 4 per cent., 1955, £500, didn't you? List of bonds purchased from Provincial Securities Company, Bank of Montreal, which were apparently not sold through that account,—this Exhibit is 192. Now can you tell me what you did with the Grand Trunk Pacific stock, 4 per cent., 1955, £500?

A.—I am not positive. I do not like to make a definite statement because I do not know which bonds were handed to my wife and which would be subsequently sold.

Q.—They are all here, and there are not so many. We will get them all for you: Grand Trunk Pacific, 4 per cent., 1955, £500; Moose Jaw, 4½ per cent.,—do you remember buying that?

A.—No, I do not remember buying that.

Q.—Moose Jaw, 4½ per cent., 1950. No one else bought it and stuck it in your account?

A.—That is only one little transaction out of thousands. I do not remember all these things.

Q.—£200. Then Edmonton, 1933, 5 per cent., £600. And then you have Edmonton again, 1953, 5 per cent., £200. Then Winnipeg, 6 per cent., 1950,

\$16,000. You might forget those small £200 or £250, but you would remember that \$16,000 of Winnipeg bonds, wouldn't you?

A.—I do not think there was \$16,000.

Q.—Winnipeg, 6 per cent., 1950, \$16,000. Alberta Waterways, 5 per cent., 1959, \$10,000,—do you remember that?

A.—I remember a good many transactions; not those specific ones. I cannot tell you the disposition of them all. I only went over them with Mr. Nash and Mr. ——— two days ago.

Q.—Saskatchewan, \$4,000,—they are all there. Take a good look at them,—the profits which you made out of this transaction, the \$31,000?

A.—They total \$37,000.

Q.—Yes, \$37,000, it was a difference probably in the exchange and you made some profit out of them—probably you traded enough to make some profit on them. Can you remember what your wife got and what you got?

A.—No, I cannot. The only way I could explain that to you would be to get my wife's bank account and see what she got and where they were sold.

Q.—Did she get 50 per cent. and you 50 per cent. of it?

A.—No, I cannot tell you.

Q.—How much did you get?

A.—Between us we got it all.

Q.—What did your wife get and what did you get?

A.—I cannot tell you the proportions at all.

Q.—Then would your wife deal with this at your suggestion?

A.—I did all the business for her.

Q.—You would know then what happened?

A.—If the bonds went into my wife's account, if they were subsequently sold to a great extent I would be able to tell you where the money went.

Q.—Now, did you hand any of these bonds to some of your friends?

A.—No, sir.

Q.—You got this business through the Hon. Peter Smith. Did the Hon. Peter Smith get any?

A.—No, sir.

Q.—Did your friend, Mr. Bates, get any?

A.—No, sir.

Q.—I would like you to tell the Committee—they are here—how you disposed of these bonds. I want to get your own story?

A.—Well, sir, I am just telling you that the bonds went, as far as I can remember, to myself and to my wife; and what ultimate disposition was made of them can only be verified by me by looking up my wife's account.

Q.—Did it all go through your wife's account?

A.—I cannot tell you. I do not know.

Q.—But you want the Committee now to believe that you do not recollect anything about this \$31,000 which you made profit?

A.—No, I do not wish to convey that impression at all. These transactions took place three years ago and at a time when I was dealing with hundreds of other securities and it is impossible for me to remember anything.

Q.—But this was a little special nest-egg, not like your other securities. If I made \$31,000 and put it into special stocks, I would remember it?

A.—Oh, I made more money in different ways. My wife's account and my account are pretty heavy accounts all the time.

Q.—You bought after that time a million and a half of bonds for the Province, didn't you?

A.—Spread over two or three years.

Q.—And it shows here to-day that you bought them through various companies in New York. Who were your New York agents?

A.—Abraham & Company.

Q.—You had given instructions to Abraham & Company to buy these bonds, and then you turned them over to the Province?

A.—Yes.

Q.—Mostly English securities?

A.—Yes.

Q.—And the profits you made on that transaction and the provincial securities ran \$125,000, \$125,000 which went into these various accounts?

A.—A hundred and twenty-five thousand dollars?

Q.—Yes?

A.—Not as far as I remember, it did not.

Q.—Yes, the auditor says so?

A.—I would like to see the record of how that profit was made.

MR. CURRIE: You did not know that you were that rich, did you?

A.—No.

MEMBER: Maybe he did not get it all.

HON. MR. PRICE: This shows a statement which the auditor produces, showing the total profit on the transaction. Would Mr. Nash show the witness this statement, \$60,000 of that in your special account.

A.—That is all right, this might be a gross profit, but our expenses in buying that is very considerable.

Q.—You would probably have expense in running your business, that is true. You bought at a certain price and sold at a certain price, and that is the profit?

A.—Does this take into consideration the junior bank charges or the charges of our agents?

MR. NASH: That is on the purchase and sales of securities.

HON. MR. PRICE: It is difficult for you to explain it, because it is hard to be explained without telling the exact truth?

A.—I am telling the exact truth.

Q.—If you told where some of this money went, you would be able to explain that and to satisfy the Committee, but until you do that it will be impossible to satisfy this Committee. Mr. Nash is an auditor and his firm is a well-known firm. They do not make these statements and bring them before the Committee for fun. They have no animus. Here is your special trading account, which did not go through your firm. Why did you have this special account and not put it through the books of the company?

A.—It was a matter of convenience.

Q.—Not to have the auditor go over it, too?

A.—Not at all.

Q.—The auditor never went over this—your auditors, Thorne & Company, never went over this?

A.—I do not think they did.

Q.—Why didn't they?

A.—Because it was carried in a special account and the profits were transferred to our business.

Q.—You run a business and here is a special account, a buying and selling account, and you do not put that before your auditors?

A.—Our auditors knew we were doing it.

Q.—I think it is very remarkable that any auditor would go into a business and go over and check up these items and put them through the business?

A.—No more remarkable than the fact that one of the companies had no auditor at all.

Q.—Of course they went into liquidation?

A.—After seven or eight months.

Q.—But a company that can make \$125,000 out of a business with the Province in addition to any other legitimate business they ought to do, on wrong terms, 8, 9 and 10 points, should not go into liquidation of they did any other business—they ought to do pretty well, shouldn't they?

A.—They should. They did not go into liquidation.

MR. CURRIE: That was a joint stock company?

A.—No, sir, it was not.

HON. MR. PRICE: Then Browning, Harris, Northey & Company succeeded Muldoon, Harris & Mulveney, and all these tradings that you had from July 6, 1922, right down to October, 1922, a tremendous lot of dealings, covering over a million transactions, did not go through the books of your company?

A.—They went through this Security ledger sheets.

Q.—Through a special voucher account?

A.—A special account.

Q.—And you had a special bank account for that?

A.—Yes.

Q.—Independent of the bank account of the company?

A.—Yes.

Q.—In the name of Browning, Harris, Northey & Company, a special account?

A.—Yes.

Q.—Now, Mr. Harris, when you had negotiated this deal with the Provincial Securities Company with Browning, Harris & Company, and were selling to the Government, did you tell Mr. Bates, who was here this morning, the profits that you were making on the transaction and how glad you were to get the business?

A.—No, sir.

Q.—Mr. Biggs was a shareholder in your original company?

A.—Mrs. Biggs.

Q.—But Mr. Biggs paid for the stock?

A.—Yes.

Q.—Paid for the stock through placing securities with you for sale?

A.—Yes.

Q.—What arrangement had you made with the stockholders of that company, of the original company, Morgan Dean, Harris and Muldoon, to save them the losses they were put to—here is Mrs. Biggs with \$10,000?

A.—What arrangement had they made to save me the loss I was put to?

Q.—Did Mr. Biggs lose that money?

A.—Mr. Biggs will ultimately lose every cent of it.

Q.—How do you mean the loss you were put to?

A.—I had \$20,000 of capital stock in that which I lost myself, and I do not expect to get a cent of it back.

Q.—But you got the business and all the clients and the good will of it?

A.—Very little good will after it failed.

Q.—You took it over but what did the other fellow get?

A.—The president left us and took a twelve thousand dollar a year job down in Windsor, in the first place.

Q.—Who with?

A.—The Toledo Scale Company.

Q.—Who was that?

A.—Morgan Dean.

Q.—Didn't you get the company in with the Harris Wood Products into a thirty thousand dollar loss?

A.—No, sir, not into a \$30,000 loss.

Q.—What loss was it?

A.—The firm before was Morgan Dean, Harris & Company, and during Morgan Dean, Harris & Company's business—

Q.—That is, Morgan Dean and yourself?

A.—Yes. During the time they were in business, it was shortly after my brother came back from the front and he was forming a company as the Harris Wood Products Company, and he asked me to help him, and I said, All right, I will help you; and I gave him several thousand dollars of my own money; and we undertook, Dean and myself, to sell some of his capital stock for him.

Q.—Wasn't it you undertook that and bound the company?

A.—There was not a company then, sir. This was Morgan Dean, Harris & Company; it was before the limited company was formed.

Q.—You undertook to bind Morgan Dean?

A.—With the approval of Mr. Dean. When Morgan Dean, Harris & Company's assets, securities and book accounts were transferred to Morgan Dean, Harris & Mulveney, Limited, there was transferred then, as far as I remember, \$4,000 of the stock of the Harris Wood Products and an open account which came into the new firm, and were then considered to be good. The limited company was formed; after that there were several thousand dollars, I am not absolutely sure how much it was but I think it was about \$11,000, totalling about \$19,000 which was advanced either by stock subscription or open account by Morgan Dean, Harris & Mulveney to the Harris Wood Products Company.

Q.—I want to know whether you did that with Morgan Dean's consent, and with the consent of the other parties—did Mulveney consent?

A.—I am not absolutely certain on that.

Q.—Did Mulveney consent?

A.—It is possible. I do not know.

Q.—Did Morgan Dean consent?

A.—Some of them, I think he did consent. I am not certain.

Q.—My information is that you bound this company up to \$30,000, then you had to be responsible for it.

A.—It was not \$30,000, it was only \$19,000. Mr. Nash can verify that.

Q.—Then you were not given the right after that to sign cheques to bind the company, were you?

A.—No, I was not.

Q.—That was taken away from you?

A.—Yes, sir.

MR. CURRIE: What were you doing?

HON. MR. PRICE: This man bound the company up to the extent of \$19,000—I understood it was \$30,000—and owing to the fact that he did it

without the consent of his partners, the right to sign cheques or endorse cheques was taken away from him, so that he could not bind the company as he had done.

A.—I was not allowed to sign cheques after that.

MR. CURRIE: I want to ask what that company was making—shell boxes?

A.—Portable houses.

HON. MR. PRICE: At that time then you had to make up the \$19,000?

A.—Not at that time.

Q.—It was put on you and you went out to make up the \$19,000, didn't you?

A.—This was in August, 1920.

Q.—You went out to make good the \$19,000 loss which you occasioned?

A.—Not at all. This was in August, 1920.

Q.—It does not matter when?

A.—How could I go out to make good on it?

Q.—Has anybody paid it back yet?

A.—I am paying it back yet.

MR. CURRIE: Who to?

A.—To the Union Bank.

HON. MR. PRICE: What I want to know, Mr. Harris, is if the Morgan Dean, Harris, Mulveney Company, Limited, was responsible, originally responsible, for the \$19,000?

A.—Certainly they were.

Q.—So that then you went out to make up this \$19,000, to pay that old debt?

A.—Not necessarily. I was forced by the action of the directors to give my notes, which were countersigned by Mr. Dean, assuming that liability, and those notes are in the Union Bank to-day.

Q.—And that liability, if you pay it, would be taken off the liability of the Morgan Dean, Harris, Limited?

A.—They would go to reduce the liability now current in the Union Bank.

Q.—So that if you got business from the Province of Ontario through the Provincial Securities, it would help you to improve the standing of that company by the \$19,000?

A.—Not necessarily. If I chose to pay it in that way it would.

Q.—You were on notes?

A.—I am also on a guarantee to the Bank for \$55,000, which is still there.

Q.—And that is what you told Mr. Biggs, that you had to make up these losses and you wanted to make some money, when he introduced you to Peter Smith?

A.—No, I did not.

Q.—How did you wander down here? I think you told a cock and bull story about wandering down here without a letter of introduction. We would like to know how you could do it?

MR. CURRIE: Who tipped it off to you that the Government would buy these bonds?

A.—I have already explained that that information came to me through the Æmilius Jarvis transaction.

Q.—Who told you that?

A.—I do not know. It was common knowledge to all bond houses.

Q.—The common knowledge was that there was only one firm that could

get inside, and that was Æmilius Jarvis, and that is the evidence before this Committee?

A.—Every bond house in the country knew that Jarvis had been buying these bonds.

Q.—And they could not sell anything except to Jarvis?

A.—I do not know about that.

Q.—How did you manage to make up your mind that you could get in when Jarvis was the only man who had control of the toll gate?

MEMBER: It only shows that the story was not right, when this man could get in.

MR. CURRIE: Who led you to believe you could get in, when nobody else could? Answer that question and don't fall asleep. You are sitting there watching for fear somebody will ask you a question and you may put your foot in it. The other day you answered questions about the first transaction and said that there was nothing in the books of the Provincial Securities—the Hamilton firm.

A.—Not to my knowledge, I did not say that.

Q.—You did the whole transaction down here with the Provincial Securities and gave us to believe here that the reason you brought the Provincial Securities into life was that the company was a dying company and you did not want them to know anything about it?

A.—They were a dying company, too.

Q.—Now the evidence shows that they all went through—why?

A.—Not all of them.

Q.—Then there must have been others beside those we have on record. What transactions? You were running two sets of books, weren't you, doing double entry, as they call it?

A.—When?

Q.—In those companies. One entry, I suppose, was on the books of the company to show your partners and friends when there was a loss, and the other line of entries was when there was a gain, which you were running privately?

A.—No.

THE CHAIRMAN: Does anybody sign on this special account except you?

A.—The officers were authorized to sign.

Q.—Didn't you operate this special account alone?

A.—No.

Q.—Who operated it with you?

A.—Mr. Northey and the clerks in the office who had authority to sign.

Q.—Why was this special account started?

A.—It was a separate transaction.

Q.—But why—nobody has a set of books that he keeps in his office in the regular way, and then starts up a special bank account and a special set of accounts without some reason.

A.—I cannot say what reason.

MR. CURRIE: You do not want to say—you did not want to show the profits on the regular accounts—isn't that right?

A.—The profits were all transferred to our regular business.

Q.—From this special—?

A.—Yes.

THE CHAIRMAN: But why, in July, 1922, did you start this Browning,

Harris and Northey special account, with a ledger slip here and a special bank account entirely different from your regular business?

A.—Outside of the fact that it might have been for the reason that we were granted special advances by the bank for that purpose, I cannot tell you of any reason.

Q.—What special advances did you get from the bank?

A.—Naturally, when that stuff is coming over, the bank wanted to know.

Q.—Did you get a special line for this from the bank?

A.—We had a special credit for it, yes.

Q.—What have you got to show that—I do not see anything?

A.—The Union Bank, in London, have to be authorized by the Head Office here.

Q.—The Union Bank in Hamilton do you mean?

A.—The Union Bank in London would have to authorize those drafts to be drawn on us.

Q.—You mean the Union Bank, London, England?

A.—Yes.

Q.—You have not yet given us the feeblest reason why this special account was opened?

A.—That was a matter of convenience for ourselves, and we have no special reasons for it.

Q.—It was no convenience, it was doubling up the work.

A.—It was not necessarily doubling up the work, because if it did not appear there it would appear in the other books.

Q.—They were both operated concurrently, and you had your ordinary books going on at this time?

A.—Yes.

Q.—And you had these sheets with the special bank book?

A.—Yes.

Q.—Why did you go into that extra labour?

A.—I cannot tell you,—for convenience, that is all, keeping the books separate.

Q.—I cannot see any convenience.

A.—It was a convenience to us.

Q.—What was the convenience to you?

A.—Because everything was kept separate there.

Q.—Why should it be separate?

A.—I cannot tell you, sir. We did it, and that is all I know about it.

THE CHAIRMAN: You are going to be in the position that you are going to have the Committee report this transaction in the House to-morrow. If you want that done, you will only have to continue your present attitude, and say you refuse to give any reason at all.

A.—Mr. Chairman, what would be out of the way in carrying it on?

Q.—It is not a special account involving a few dollars, but a special account involving a debit balance of \$83,000 and another item of \$111,000—very large transactions. Now, no firm runs a special account involving all that work and that liability without some reason?

A.—We run a special account for every Victory Bond transaction which goes through the office.

Q.—But this is not Victory Bonds. I would suggest that you think over this, Mr. Harris?

MR. CURRIE: I think you had better let somebody keep an eye on him. He is not telling the Committee anything.

THE CHAIRMAN: Perhaps if you stepped out into the Committee room for a while, and we got Mr. Denman in.

MR. CURRIE (to officer): Go out with that man and stay with him.

THE CHAIRMAN: Before we go into this, Mr. Clarkson wants me to mention this, that he has telephoned the doctor; and perhaps you had better report the result of the conversation, Mr. Clarkson.

MR. CLARKSON: The doctor says he thinks it will be a serious thing for Mr. Haney to be interviewed and asked to make an affidavit.

MR. CURRIE: His affidavit would not be a dozen words.

MR. CLARKSON: I asked the doctor to wait there until I consulted you.

MR. CURRIE: Who is the doctor?

MR. CLARKSON: Mr. Amsden.

MR. CURRIE: That is an osteopathist. He is a very good man, but I do not think this Committee is prepared to take the statement of an osteopathist on this thing. We would want the word of a doctor. I move that we send a couple of doctors from this Committee to look at this man.

THE CHAIRMAN: This is not a joke. The morning paper has made some suggestion that there is some object for concealing something. I want to state to the Committee that Col. Price and the Attorney-General and myself have devoted every bit of energy we have for several months to get down to any facts we can. I am very sorry if anything has to be done to inconvenience or prejudice Mr. Haney. The House may rise to-morrow. I do not want to go there, but I do not want it to be said that we are putting it off for some more convenient day.

HON. MR. PRICE: How would it do, Mr. Chairman, if, when the Committee rises, Mr. Clarkson and Mr. Finlayson be asked to take whatever steps may be necessary to get this statement from Mr. Haney this evening?

MR. CURRIE: We are going to sit this evening, aren't we?

HON. MR. PRICE: I think we would make as much progress by sitting to-morrow morning. I would like Mr. Harris to go with one of Mr. Cuddy's men to get that other bank book; we can make as much progress by getting Mr. Harris to go with one of Mr. Cuddy's officers to get his bank book.

THE CHAIRMAN: I am as confident that this man Harris has committed as much contempt against this Committee and the Legislature as any man ever did. I would ask that Mr. Harris remain in Mr. Cuddy's custody, and we will go on with this. If he wants to get anything, he can go with Mr. Cuddy to get it. If the Committee will support me, I would suggest that.

MR. CURRIE: I would respectfully suggest that the Committee name a doctor who will go and examine Mr. Haney and find out if he is capable of giving evidence. If it was a well-known medical man who sent the certificate I would be the last man to go to such an extreme measure.

I will therefore move that the Chairman and Mr. Clarkson employ a medical man, at the expense of the Committee, a well-known medical man, who will go and examine Mr. Haney, and find out if he is capable of giving any evidence. Mr. Amsden is an osteopathist who has an office on the corner of Bloor and Yonge Streets; he is a very well known osteopathist, but he does not know anything at all, and he will say that himself, of the physical condition outside of a bit of rheumatism. I do not propose to have that put over me.

HON. MR. PRICE: I think that will be all right, to let the Chairman and Mr. Clarkson have a doctor and have a report here to-morrow morning.

THE CHAIRMAN: Then, as I understand it, the Committee authorizes Mr. Clarkson and myself to obtain the services of a medical man. We had better now call Mr. Denman.

Robert Oliver Denman, sworn.

HON. MR. PRICE: Where do you live?

A.—Hamilton,

Q.—What is your position?

A.—At present I am a junior partner of the firm of Browning, Harris, Denman & Company.

Q.—Is that an incorporated company?

A.—Yes, sir.

Q.—You are a director?

A.—I believe I am, yes, sir; yes, I am.

Q.—Are you a shareholder for a substantial amount?

A.—Yes.

Q.—What amount?

A.—We are only incorporated last fall, and I was taken in as a junior partner because I had been a salesman for about three years. Mr. Harris took me in last fall; but the definite amount of stock I am to get in the company has not been settled upon.

Q.—Have you paid up anything of your own money?

A.—No, sir.

Q.—So that you are dependent upon Mr. Harris for whatever you get in the company?

A.—No, sir, my past results show that.

Q.—Have you any stock certificate issued to you?

A.—No, sir, not yet.

Q.—You hope to get some?

A.—I am going to get some.

Q.—Mr. Harris has promised you some?

A.—Yes.

A.—But no definite amount?

A.—It has not been settled.

Q.—So that you have no stock certificate?

A.—No.

Q.—Then you cannot be a director?

A.—Well, I am a director as far as that is concerned. I think there was one share of stock issued to me.

MR. CURRIE: Allotted to you when the company was formed? You were a star salesman?

A.—Yes.

THE CHAIRMAN: You have one share of stock allotted to you?

A.—Yes.

Q.—You have not paid anything on it?

A.—No, sir.

Q.—Mr. Harris has led you to believe he will give you a lot of stock?

A.—That was discussed prior to our incorporation. There was a certain amount of the preference stock of Browning, Harris, Denman & Company was

to be given to Mr. Harris for the good will and the assets of the old company of Browning, Harris Company; then there was a certain amount of the common stock which was to be split up between Mr. Harris, Mr. Browning and myself. We had a tentative arrangement on that, and we would have had it straightened up now only this matter stopped our business for the time being, and we have not got around.

Q.—Who else are shareholders?

A.—No one else.

MR. CURRIE: And the stenographer?

A.—I think two stenographers or bookkeeper.

THE CHAIRMAN: So that you are entirely dependent upon Mr. Harris for your interest in this company, whatever it may be?

A.—I suppose you could put it that way.

Q.—Well, that is the fact?

A.—Yes.

MR. CURRIE: You get an overriding commission?

A.—Not now. I am on straight salary.

THE CHAIRMAN: You expect to get an allotment of stock from Mr. Harris?

A.—Of course that has been practically definitely settled, but it is something to which we have not come down to cases.

Q.—It has been definitely settled that you are to get an allotment of stock, but the amount has not been fixed?

A.—Yes.

MR. CURRIE: When did all this happen?

A.—Last winter.

Q.—Have you been carrying on any government transactions since then?

A.—Yes, I think we sold some of these succession duty bonds last fall, for the present government.

Q.—That is, your new company sold some?

A.—Yes.

Q.—But all these big transactions, which we are dealing with, of a year ago, belonged to another company of which you were not a member?

A.—No, sir.

THE CHAIRMAN: How long have you been with Mr. Harris in his company?

A.—About three and a half years.

Q.—During that time you have been on salary?

A.—No, sir, on straight commission.

Q.—But you have been with him all your time, have you?

A.—Yes, sir.

MR. CURRIE: Outside?

A.—Yes.

THE CHAIRMAN: Before Mr. Harris left the room this morning he handed you some papers. Will you let me have them?

(Witness hands papers).

Q.—What is this?

A.—I do not know, sir.

Q.—Why did Mr. Harris hand it to you?

A.—I do not know.

Q.—What did he say when he handed it to you?

A.—Just handed it to me and said, hang onto it.

Q.—While you were coming in to give evidence?

A.—We were sitting here.

Q.—When he was coming in to give evidence?

A.—No, he gave me that this morning. We compiled that yesterday.

Q.—You told me a moment ago you did not know what it was.

A.—I know what it is now.

Q.—A moment ago you said you did not know what it was, and now you tell me, at this distance, that you compiled it the other day. Now which is true?

A.—Exactly what I say. I did not know what Mr. Harris handed to me at all. I had not looked at it until you opened it there, and I glanced at it.

MR. CURRIE: I think what the witness means is that they compiled something a few days ago, and that this morning, Mr. Harris handed him something and he did not know what it was.

A.—That is it.

THE CHAIRMAN: What did you compile the other day?

A.—We were working at the different losses which Mr. Harris had made.

Q.—Why did he give it to you?

A.—I do not know.

Q.—The losses which he made in connection with what?

A.—With the business he has been in in the last three or four years, I think.

Q.—Did you also compile the profits which he had made in the Government transactions?

A.—No. I did not have anything to do with that.

Q.—You were with him when he had these various Government transactions?

A.—I was an outside salesman.

Q.—And you were selling for him, were you?

A.—Yes.

Q.—You knew he was handling Government securities?

A.—Yes.

Q.—You were selling them, were you?

A.—Yes.

Q.—You knew that Mr. Biggs had been a shareholder in one of his companies?

A.—I did not know that until Mr. Nash, I think it was, found it in the old Morgan Dean, Harris books.

Q.—Apparently Mr. Harris did not know it when he gave evidence before, and you did not know it?

A.—No, I had just started to sell.

Q.—Mr. Nash found that the other night. What has Mr. Harris told you about it since?

A.—Nothing, sir, except that it was in the books there.

Q.—And you talked it over with him, when Mr. Nash found it in the books?

A.—I do not think there was any special mention about it.

Q.—Please be frank with the Committee.

A.—I will be as frank as I can.

Q.—When Mr. Nash found it in the books and it was a surprise to you, you naturally spoke of it to your friend Harris?

A.—Yes.

Q.—And he told you about it, did he?

A.—I do not think he volunteered anything except that he had bought some stock.

Q.—How much?

A.—I think it was \$10,000.

Q.—And that he had lost that \$10,000?

A.—That he had lost the \$10,000.

Q.—And what arrangement had been made to recoup him?

A.—None that I know of. It was just a straight loss to Mr. Biggs.

Q.—Wasn't there any understanding that Harris was to make good for it,—didn't he tell you about that?

A.—No, sir.

Q.—How did you come in on this Government business?

A.—That is something I do not know much about, because I was not in their office.

Q.—I am asking you how Harris got in on the Government business?

A.—It was general knowledge.

MR. CURRIE: Now, the witness was out in the field,—you were outside salesman?

A.—Yes.

Q.—You were not in the office?

A.—No.

Q.—But you heard general gossip around the office?

A.—I knew that there was a lot of this stuff going through; that is I knew it was being bought, but where it was going or what the profits were, I did not know.

THE CHAIRMAN: You would see Mr. Biggs in and out of the office?

A.—No, sir. I do not remember seeing Mr. Biggs in our office possibly more than two or three times.

Q.—At the time this Government business was starting?

A.—No, I do not remember that at all.

Q.—Will you say he was not in there when you started in on this?

A.—So far as I know, sir.

Q.—What do you know about that?

A.—Nothing. I was only a salesman and I could not know anything about it.

Q.—Has Harris never talked it over with you?

A.—No, sir.

Q.—Do you mean to tell us that Harris has never told you how the Government connection arose?

A.—No, sir, except that he had offered bonds. I know that letters used to go out offering the bonds to the Provincial Treasurer. That is what I know about it.

Q.—Was Peter Smith around the offices at all?

A.—No, sir. I never saw Mr. Peter Smith until—when was it?

MR. CURRIE: Yesterday?

A.—No, sir, not yesterday. Just late. I did not meet him. I have never been introduced to him, but somebody said that was Peter Smith.

THE CHAIRMAN: Who was that—was it Mr. Harris?

A.—No, it was not Mr. Harris.

MR. CURRIE: I am surprised that you did not meet the star bondsman of the whole country.

A.—I am sorry.

THE CHAIRMAN: Do you want to tell the Committee that you have no

knowledge as to how your firm stood in on this bond business which enabled them to net \$125,000?

A.—No, sir, I do not know at all.

Q.—Did you have anything to do with the books?

A.—No, sir.

Q.—You were with the Browning, Harris, Northey Company in 1923?

A.—Yes, sir, I was,—1922.

Q.—1922. You know this special account that was run?

A.—No, sir.

Q.—Did you have nothing to do—

A.—I had nothing to do with the bookkeeping at all. I was only selling bonds.

Q.—Did you have nothing to do with the bookkeeping of any kind?

A.—No, sir.

Q.—Will you look through this, and see if you can recognize anything about these peculiar transactions.

A.—I am afraid I would not recognize anything, because I do not know anything about books.

Q.—Who was the bookkeeper in 1923?

A.—Miss Wynne.

Q.—Is that Miss Wynne's handwriting?

A.—I think it is the same as the one that is there now.

Q.—Is she there now?

A.—Yes.

Q.—What is her name?

A.—Elizabeth.

Q.—These entries are apparently all in one handwriting,—are they hers?

A.—I think so.

MR. CURRIE: There was no other girl there?

A.—No.

THE CHAIRMAN: Have you no knowledge of why a special account was opened at all?

A.—No, sir, I have not.

Q.—You say you prepared this statement with him?

A.—I did not prepare the statement, but we talked it over. For instance, here that he had lost so much.

Q.—Did you do the typewriting for this?

A.—No, sir.

Q.—Who did this?

A.—One of the girls in the office.

Q.—Was it dictated or prepared?

A.—We were talking over the whole situation the other night; and Harris has always been absolutely fair and square with me about anything, and I naturally was helping him as much as I could in this matter, because it was affecting our business, and I am new in the business and I want to see the firm come through. Everything, as far as my knowledge goes is absolutely clear and above board of buying and selling bonds: and there was a question of showing to the Committee exactly what the profits were made. We know that large profits were made.

Q.—How much profits do you say were made out of this?

A.—I do not know but I was with him here with the Committee, and it

was a hundred and twenty-five or thirty thousand, and then forty or fifty thousand; and we just sat down and began figuring out where the money had gone. Mr. Harris was badly caught with the Morgan Dean, Harris and Mulveney business. Mr. Harris has always been the bond dealer in our business; and as a bond trader he had nothing to do with the stock transactions which were going through the firm. Mr. Morgan Dean and Mr. Mulveney had to do with that. They got mixed up in several trades, a Brantford firm and the Beaver truck.

Q.—Did Harris have nothing to do with that?

A.—Nothing at all.

Q.—Did Morgan Dean and Mulveney have nothing to do with the bond business?

A.—No. The firm had practically discontinued business. So Harris and I started down to compile that. Harris was stuck for a personal guarantee to the bank, and he owed other moneys in different places, so we sat down and jotted down things that we knew Harris had paid up. Instead of going bankrupt and letting it slide and starting business over again, he was meeting his obligations out of the money he was making out of the sales and the profits.

MR. CLARKE: You mean that the money Harris made paid back debts?

A.—Yes.

MR. CURRIE: Do you know if they offered to let him off and forgive him part of it?

A.—They have not.

THE CHAIRMAN: What did he tell you about this loan of \$5,000 to Browning?

A.—I do not know anything about that. He just mentioned that loan of \$5,000 to Mr. Browning.

Q.—What did he say about the loan of \$4,050 to Caldwell?

A.—Nothing more than he had loaned that money. The items that I remember were here.

MR. CURRIE: Tick them off?

A.—Paid to the Merchants Bank \$6,700. Paid to the Union Bank—I knew he had been paying that.

Q.—How much had he paid the Union?

A.—\$4,300 and he was paying so much a month. Albert Shaver—Morgan Dean, Harris & Mulveney sold Albert Shaver some stock in the Beaver Truck; and Mr. Morgan Dean selling it to him gave him a letter saying that at any time he wanted to sell back that stock the firm would take care of it at its full value. And Harris looked after that himself. Mr. Hobson gave us a letter about that \$3,000. Mr. Harris had lost a lot of money in Duncanson & How.

Q.—That was a Hamilton firm?

A.—They had an office there, but they are a Toronto firm. They were stock brokers. And the Road Finders Limited.

Q.—Did they have anything to do with iron?

A.—No. It was going to be a money-maker for Ford cars; it turns the lights with the wheels. That went flat. And the overdrawn salesman account, \$3,200—part of that was mine, I know. Those are the only things I know about. I did everything with the liquidators to help them. They have been up at our house. There is something here I might be able to explain about, the ledger sheets. I read a lot about it in the papers. In the bond business, anyone will understand that a large portion of our business is looking after your client's

business, trading them off one bond for another, getting them out of lines and selling other bonds to them, trying to make them a profit.

I am an outside salesman and I know that these Browning, Northey Company books, when we formed our new company, we just took the covers off from those books and put them on the new books, and these old books were just tucked in the vault. I have often gone in there, into the old vault, and run through these things to try and find a certain man who was holding certain securities and find out what he paid for them and the date he bought. And then go out and try and get him to trade his bonds. I have done that a good many times. Then I would not keep the sheet and go back into the vault and put it in its place but put the information on the sales card; and then if I sold to him I would change it on my card.

THE CHAIRMAN: You would not destroy a sheet?

A.—Sometimes they would be left on the desk. They weren't any good.

MR. CURRIE: That would not account for sheets out of the cash book?

A.—I don't know about that.

HON. MR. PRICE: Or for losing sheets?

A.—The sheets were in terrible disorder in the back of the old vault. Mr. Nash can tell you about the mess we had to get into to try to get these things out for them while they were there. There were things missing and we were trying to look for them. We were trying to look for a couple of cheques which were not where they ought to have been.

Q.—Why would you lose Mr. Biggs' account and the accounts of the members of the firm?

A.—I do not know. I know nothing about the cash book.

THE CHAIRMAN: It looks all wrong, doesn't it?

A.—No, I do not think so. You throw things around in there; and we have cleaned out a lot of old files.

Q.—Doesn't it look wrong that the particular accounts that have been lost?

A.—We had a sale from Mr. Biggs a while ago. It may have been hauled out to see what price Mr. Biggs paid for their bonds.

MR. CURRIE: You would guard them in your office?

A.—When we took out a sheet like that, I used to take out a sheet and put the information on the sales slip—

Q.—You keep a card case?

A.—Yes.

Q.—All these facts would be in the card case?

A.—All of mine.

Q.—So that there would be no inducement to go and pull a ledger sheet out—as a matter of fact, you have a card system which covers the sales to everybody, which covers all your customers?

A.—I have just started the card system. There was none there.

Q.—Was there a sheet system?

A.—No, it was all in your ledgers.

Q.—Then you never, of course, had recourse to the cash book?

A.—No, sir.

Q.—You would not go and tear a sheet out of the cash book and hand it to a salesman?

A.—No, I never had the cash book.

Q.—The original entries in the day books too are gone?

A.—I do not know where they have gone.

Q.—Have you told the Committee everything that you know about the firm?

A.—Everything, that I know, sir.

Q.—You were never implicated in any of the transactions with the Government?

A.—No, sir, I had nothing to do with it.

Q.—Your work was all outside stuff?

A.—Yes.

MR. CURRIE: That is all, as far as the Committee is concerned. When do we adjourn to?

THE CHAIRMAN: I thought it would be wise to adjourn until the morning. The way this has developed, I think we had better go on to-night and perhaps accomplish something.

HON. MR. PRICE: This has developed in a very important way, and if we can adjourn now—it is twenty minutes to seven—until eight-thirty, and give Mr. Harris a chance to collect his thoughts and come in again. Mr. Finlayson and Mr. Clarkson could go on with the other thing.

MR. BIGGS: Will we be meeting to-morrow morning? I want to go through my receipts and papers and bring back to this Committee anything that I could find regarding my transactions with Browning, Harris & Northey. Anything I can find I want to bring to the Committee.

THE CHAIRMAN: If Mr. Harris is not able to go with you, perhaps Mr. Denman may go with you.

HON. MR. PRICE: I was thinking that Mr. Harris might very well be left with the representative of the Committee or with a couple of the Attorney-General's officers; and that Mr. Denman need not be left here. We want to give Mr. Harris a chance to think this over, because the tale is so improbable, and if anyone can fix up a tale like that and bring it before a Committee of the Legislature, where will it end?

MR. CURRIE: Now, about the question of the Committee going on. The Press seems determined that this Committee shall go on. I want to say for my part, in view of the statements made by the Prime Minister that there are several other departments which should be investigated, that although it is without pay I am quite willing to go on rather than to give the public the impression that something is being left half done.

The mere fact that documents are missing and pages taken out of books and records destroyed makes it imperative that this Committee shall go on and investigate everything which is to be investigated, because unless we do the holes will all be stuffed before the next session and we will not be able to get books, leave alone get books with the pages torn out of them. I think you should lay the matter before the Cabinet and decide whether it is a proper thing for us to do.

I am satisfied that the Committee is only desirous of getting at the truth and are not particularly desirous of persecuting anybody; but there is a great deal of talk abroad and it would be as well as for us to have this thing all cleaned up while we are at it, if it takes three or four weeks more and have done with it.

HON. MR. PRICE: I am very glad to hear what Col. Currie has to say on this. As everyone knows, very extensive investigations are being made into various departments, and it takes a long time to get material into shape

in the departments to place before a Committee or anyone else. The Highways Department and other departments are being gone over as the Prime Minister has stated. There is nothing that can be missing from the various departments. Of course, naturally, people who have done business with the departments may have taken an attitude or scrap certain papers or documents. 'That is probably true. I am sure I shall be very glad to bring to the attention of the Prime Minister what Col. Currie has said.

MR. CURRIE: I do that in view of the fact that innuendos are being expressed by party journals all over the country to the effect that the Government is trying to close off discussion and that an attempt is being made to shirk responsibility. I have only to refer you to the Toronto papers in opposition to the Government to the effect. Don't let this Committee go; if the Committee goes, somebody will escape and the Government is responsible for it. I think there must be some inside pull. As far as I am concerned there has been no inside pull and nobody has tried to prevent me or you, Mr. Chairman, or Mr. Price. If that is to be the attitude, I think we had better go on and go through it. If you want the Committee to adjourn over the holidays, all right, but let us come back and go to it.

HON. MR. PRICE: I think we have proceeded very well before the Committee and have got a lot of evidence. I have been watching to see what evidence anyone else brought before the Committee but what came through my hands. I have been here bringing things before the Committee for a month, working long hours under great strain. I like publicity, and I am sure the Government does like to hear what newspapers say; but when anyone is climbing a ladder carrying a load, it is not a friend who tells him he is making a misstep and is going to fall down.

If we are going to have free institutions and good government, the Government must be prepared to take the responsibility, and the Government is prepared to take it, I have no doubt. If there is anything needing investigation, it will be investigated to the hilt. If investigations are to be carried on, there probably will have to be other means of bringing a lot of things before the Committee. Those who criticize should get busy.

MR. SINCLAIR: I do not think this Committee can rise until Mathews and Mason are before the Committee. It seems to me that is so absolutely essential that there must be some arrangement made by which these men can be here to give evidence before this Committee, before we report to the Legislature. If it is necessary to adjourn for a few days, we will have to do so; but as the matter stands now it will not do to leave it where it is.

THE CHAIRMAN: You, Mr. Sinclair, and Mr. Doherty were good enough the other day to express your view that the Committee had tried to proceed on a high plane and that the Committee had given you every facility.

Only until the last day or two has any talk occurred about some suggestion that something has been attempted to be hidden. You know and I think many members of this Committee know that any suggestion that was made from anybody was handed over to the police or to Mr. Clarkson or to the appropriate person to look into it; and that no attempt to the contrary has been made. If I have in any small measure convinced the Committee that I am attempting in a fair way to conduct the investigation, let me say that no attempt has been made by anyone to conceal anyone. The Attorney-General wants Mr. Cuddy called, and after he has made a statement, there is perhaps something else about which I would like to make a remark.

Alfred Cuddy, sworn.

HON. MR. NICKLE: I would like Mr. Cuddy to state to the Committee what his instructions were and what he did in his effort to keep Mr. Mathews in sight, and how Mr. Mathews evaded him.

A.—On the 27th of last month I was instructed by Mr. Price to keep a shadow on Mathews. I detailed two men to do that. Their report to me was that they saw him and saw him going home, watched his house all night, and the next morning one of the others took up the house and watched. That was on the 28th. He went downtown; they followed him downtown and they stayed with him, following him to different places that he went to. Somewhere around five or six o'clock he came up to an office on Bay Street, and went in there and left his car outside; and the car remained there until somewhere about two o'clock in the morning and he did not show up at all. They watched the car and thought he was coming out to get the car; and that is the last we saw of Mr. Mathews.

MR. CURRIE: Is that the building at the southwest of Bay and Adelaide?

A.—No, it was up near Queen some place, at a printing house he went into.

Q.—It was not the *Globe*?

A.—No, not the *Globe*.

HON. MR. PRICE: Did they take up their vigil outside of Mr. Mathews' house after that, the next day?

A.—Yes, sir. It was two days after that we found out eventually that he was not there.

Q.—And you reported that?

A.—I did.

Q.—Was he alone in the building at the time?

A.—No, there was somebody went into the building with him.

MR. CURRIE: Who?

A.—I do not know.

HON. MR. PRICE: You have not seen either of them afterwards?

A.—One of them came out. Mathews did not come out—if he came out he went out the back door. From the report the man made to me they watched the car and thought sure he would come out. They had a car there to follow that car wherever it went. That is the last trace I have got of Mathews.

HON. MR. NICKLE: Since then, what efforts have you made to locate him?

A.—Since then, I have tried every way I could, I have had different reports; reports that he was quite a long distance away from here. I have had no trace of him in the city since that night.

Q.—What steps were taken to apprehend him if his whereabouts were found?

A.—There were no warrants out; I had only a subpoena.

Q.—Were warrants prepared, to be sworn if you found where he was?

A.—There were.

MR. CURRIE: Did these men know that they could take him?

A.—My instructions were that if he attempted to get away, they were not to allow him to go but to notify me.

Q.—A subpoena wouldn't hold him?

A.—No, not necessarily.

THE CHAIRMAN: There were two men with the car, one would have followed and the other reported.

MR. CLARKE: You do not know where he is at present?

A.—No, I do not.

HON. MR. NICKLE: Your instructions were that if you could locate him you were to get him?

A.—Our instructions were not to let him away, and if he attempted to go away to detain him.

MR. CLARKE: Your man had to report to Mr. Cuddy first?

A.—I told the man if he attempted to go away to hold him and to report to me at once.

Q.—But he had to report, and in the meantime before he could hold him?

A.—No. They were to detain him and notify me at once.

Q.—They could take hold of him and keep him?

A.—Yes.

MR. CURRIE: Did you make any efforts to have men search the trains leaving?

A.—I did not then, because we still thought he was in the city and for two days after that; and we had watch kept on different places, his relatives and so on; but did not get any trace of him.

Q.—Did he speak to you or any of your officers?

A.—I never spoke to Mathews.

Q.—As to whether he could bring any evidence before this Committee?

A.—No.

Q.—Have you any reason to believe that Mathews knew that he was being watched at that time?

A.—No.

Q.—I suppose your men knew, but they did not know that he knew?

A.—No, they did not think he was on to them at all; but I have heard since that he was.

Q.—He must have known because of the fact that he did not come out?

A.—Yes.

MR. CLARKE: The bird has flown?

A.—There is no doubt about that.

MR. CURRIE: If you found him in the United States you could bring him back.

MR. SINCLAIR: That is more law.

HON. MR. PRICE: Oh, yes, we could bring him back.

HON. MR. NICKLE: Mr. Harris is in the hall. Is Mr. Cuddy to take him with him until nine o'clock and keep other people from him?

HON. MR. PRICE: Yes, he cannot get his bank book until to-morrow.

HON. MR. NICKLE: Will you give instructions to Mr. Cuddy before the Committee arises?

THE CHAIRMAN: It is not necessary to keep Mr. Harris in custody, but is it the intention of the Committee that Mr. Cuddy shall keep him under supervision?

MR. CURRIE: That is right.

THE CHAIRMAN: It is moved by Mr. Currie, seconded by Mr. Harcourt, that Mr. Cuddy be requested to remain with Mr. Harris and bring him back here at nine to-night. Carried.

Committee adjourned at 7 p.m. until 9 p.m.

Wednesday, April 16th, 1924.

PUBLIC ACCOUNTS COMMITTEE

Public Accounts Committee resumed its sittings at 9 o'clock p.m., Wednesday, April 16th, 1924.

Mr. Finlayson, Chairman.

THE CHAIRMAN: Gentlemen. Mr. Clarkson made an arrangement with Mrs. Haney over the telephone. Mr. Clarkson very tactfully suggested to Mrs. Haney that it might be less disturbing to Mr. Haney if we went up quietly, without having any strange doctor coming in to examine him. And Mrs. Haney saw Mr. Haney and he consented to that. So immediately after the adjournment Mr. Clarkson and I went up to Mrs. Haney's apartment and talked the whole matter over with him.

Mr. Clarkson told him what had occurred, very shortly, in the Committee to-day, and what the Committee wanted; and Mr. Haney said he was perfectly willing to give any statement at all. He said he had been served with a subpoena and he had intended to come to the Committee, and would have come if the doctor had not ordered him not to. He appeared weak but perfectly clear mentally, and said he was very willing to make a statement. So he made this statutory declaration:

"Province of Ontario.

County of York: To Wit:

In the matter of an inquiry before the Public Accounts Committee of the Legislative Assembly of Ontario:

I, Michael John Haney, of the City of Toronto, in the County of York, Gentlemen, do solemnly declare:

1. That I was president of the Home Bank of Canada during the year 1919, and I well know J. Cooper Mason, who was the general manager of the said bank during that year;

2. That I never at any time, in September, 1919, or any other time, received \$25,000 or any other amount from the said J. Cooper Mason or anyone in connection with the said Home Bank of Canada for any person or party at the Parliament Buildings or to be sent there.

3. That I never at any time paid any sum whatsoever to the Hon. Thomas McGarry for commission, or any other payment or contributions, either directly or indirectly, or for any contribution to any party fund.

And I make this declaration conscientiously believing it to be true, and knowing it to be of the same force and effect as though made under oath according to the Canada Evidence Act."

It is wound up in the usual way. It was sworn before me as a Notary Public, to-day.

Mr. Haney said that he had no hesitation whatever in stating that he would be glad to attend the Committee at any time he was allowed to do so, and answer any questions.

I think Mr. Clarkson will agree with me that he was perfectly clear about the whole matter.

If any gentleman of the Committee would like to ask anything about what occurred, I would be glad to answer.

MR. CLARKE: It is a pure declaration, I understand, Mr. Chairman, that he personally did not pay any money, carry any money, or do anything wrong?

THE CHAIRMAN: Yes, he said he had not conveyed any money to any persons.

MR. CLARKE: He is not under cross-examination; and maybe he never did, and did not know of any; and yet at the same time he does not say he did not know of it being done.

THE CHAIRMAN: Yes, he said he never directly or indirectly paid any sum to Mr. McGarry.

MR. CLARKE: Mr. McGarry's name was never mentioned.

MR. SINCLAIR: All I can say is what I said this afternoon, that this is simply a declaration taken before Mr. Finlayson. We cannot question that. Those who have other views on this matter have had no opportunity to cross-examine and can have no opportunity to cross-examine. The declaration is valueless as evidence.

The Public Accounts Committee may put it on its records, but anyone who has any experience in legal matters or in the practice in the Courts knows that under no circumstances before any tribunal could such a document be admitted. I am not going to say any more and I am not going to question what took place, because I do not know what took place when these gentlemen went there. We have to presume that what was done was rightly done; but the fact remains that here is a declaration, with no opportunity of cross-examination, no opportunity to ask questions in any manner whatever; and I leave it to the Public Accounts Committee to judge of the value of such a declaration.

THE CHAIRMAN: Mr. Sinclair, that is hardly fair, is it?

MR. CURRIE: I would offer one remark along those lines, that for years, as long as I can remember, everybody has recognized that Mr. Haney was a life-long Liberal and also he was the custodian of the Liberal funds for the Province of Ontario. So that you could not expect he would pay anything for anybody else.

MR. CLARKE: We have not seen any funds for twenty years; so how do you know anything about it?

THE CHAIRMAN: I do not know that it is quite fair to put it in the way Mr. Sinclair does, because he was a party in sending me there. I did not go from any desire of pleasure on my part. It was the unanimous wish of the Committee that we get what we could.

MR. SINCLAIR: Mr. Chairman, I was not criticising your work, as far as you did. I say it might be taken for what it is worth, and that is all there is to this declaration.

HON. MR. PRICE: It is a declaration from Mr. Haney that he did not get any of this money and he did not transfer it to anyone. He has sworn to that. Of course he is not subject to cross-examination, that is true.

MR. SINCLAIR: He is the only witness before the Public Accounts Committee who is not subject to cross-examination of any kind.

HON. MR. PRICE: Everyone has done the best that could be done to get him here.

MR. SINCLAIR: And you take advantage of his unfortunate circumstances to get a declaration.

MR. CURRIE: You were a party to the getting of it.

MR. SINCLAIR: No. It is true I did not object, but I registered my protest as a lawyer before the Committee, before you went, and told you the difficulty that there would be in the way of any such declaration being filed on any record; and I am here to-night to protest against it in some way. I

say it is a declaration and we can take it here and it will go on the record, there is no doubt about that, but for simply for what it is worth.

THE CHAIRMAN: After what I saw of Mr. Haney, I think perhaps we might arrange for you to go up and cross-examine him.

MR. SINCLAIR: No, I do not want to.

MR. CLARKE: The man might die under it, and we do not want any more deaths.

THE CHAIRMAN: If Mr. Sinclair wishes it, I will telephone to see if I can arrange to cross-examine him in the morning. If you are complaining, I would like to meet it.

MR. SINCLAIR: That was discussed here this afternoon, and it was stated that he was not in a fit condition to stand any cross-examination. As a man, I would not be responsible for putting any other human being in that position over a matter of this kind.

MR. CURRIE: I think, Mr. Chairman, you ought to go and call up Mr. Haney and see if he would be willing to be cross-examined by Mr. Sinclair, so that the whole thing could be cleared up.

MR. SINCLAIR: You are all very kind about it now, but you put the brakes on good and hard this afternoon.

HON. MR. PRICE: I move, Mr. Chairman, that the report of the Committee appointed be attached to the record.

MR. GRAVES: I think, as Mr. Finlayson is a member of the Committee and a Member of Parliament also, may be a statement from Mr. Clarkson just corroborating what Mr. Finlayson says would be well—Mr. Clarkson was not in the room and he could make an independent statement and make this as clear cut as we can.

MR. CLARKE: No person doubts Mr. Finlayson's word.

MR. GRAVES: What I cannot understand now is why, after everybody agrees to do a thing then you find fault about doing it.

THE CHAIRMAN: I only went because I understand it was the unanimous wish of the Committee. Mr. Clarkson will tell the Committee what occurred while we were there.

Mr. G. T. Clarkson, recalled.

After you adjourned, I telephoned and got the name of a doctor; and then I telephoned Mrs. Haney about sending a doctor up to see her husband, and she thought it would be better to go right up at once and get what information was desired, that it would not be of any more of a shock than it would be to have a doctor examine him. So I went over with Mr. Finlayson. Mr. Haney was told what evidence had been given this afternoon; and then he was asked if he had received \$25,000 or any moneys, if he had paid any moneys to Mr. McGarry, and if he at any time had taken any money up to the Parliament Buildings or handed them over for campaign funds. And he said, no, he had not. Then that affidavit was drawn, after discussing the matter with him; and it was read over to Mr. Haney, and Mr. Haney said it represented the facts and took his declaration. He said he had wanted to come before the Committee and that his doctor had absolutely refused to let him do so. Furthermore Mr. Finlayson will remember that he said also that he wanted to go out to his home at Port Credit, instead of staying where he was, but his doctor would not let him do it.

MR. CURRIE: What was his trouble, did he state to you?

A.—He was on the verge of a paralytic stroke, he told me.

Q.—Rheumatism or what?

A.—Shingles.

MR. SINCLAIR: Why is Mr. McGarry's name mentioned in the declaration when it was not mentioned in the evidence? There was no evidence given that the money was given to Mr. McGarry, as I remember it, but it was simply to the Parliament Buildings?

A.—All I can say is that he was asked that question.

THE CHAIRMAN: The reason I asked that was that you had Mr. McGarry summoned here and examined him upon that.

MR. SINCLAIR: As I understand it, Mr. McGarry was for rebuttal of Mr. Whittaker's evidence.

THE CHAIRMAN: Mr. McGarry had denied it, and because of what you had raised, I added that.

MR. GRAVES: There was no harm in asking it.

MR. SINCLAIR: It was the very best thing that he could do for the purpose that he went for.

THE CHAIRMAN: The only reason I went was because you and others in the Committee suggested it, voted for it and wanted me to go.

MR. SINCLAIR: I did not vote against it.

THE CHAIRMAN: Surely you have been a member of a deliberative body long enough to know that if you sit and let a motion go through you are bound by it.

MR. SINCLAIR: I told you this afternoon, as I tell you now, as a lawyer, that a declaration was worthless. What I understood you were going to do was go get a declaration in rebuttal to Whittaker's evidence. I take the same stand to-night that I took this afternoon, with the addition of the words which I have just uttered.

THE CHAIRMAN: You remember it was suggested that you should go too and you declined to go, expressing your satisfaction at my going.

HON. MR. PRICE: Mr. Chairman, I have made a motion that this declaration be received and attached to the evidence.

MR. CURRIE: Incorporated in the evidence.

THE CHAIRMAN: It is moved by the Hon. Mr. Price and seconded by Mr. Graves that the declaration of Mr. Haney be filed and incorporated in the evidence before the Committee.

(The motion being put to the meeting was carried, the Chairman stating that there were three contrary.)

Geo. B. Harris, recalled; sworn.

MR. CURRIE: You were sworn this afternoon, Mr. Harris. There is no use swearing him every minute. Once you are sworn before this Committee, you are sworn until you are discharged.

THE CHAIRMAN: Mr. Harris, you had an opportunity during the adjournment to consider the position generally. Have you any statement to make to the Committee now?

A.—In connection with the Special Account?

Q.—Well, in connection with anything?

A.—As I understand it, Mr. Chairman, you were discussing the Special Account with the Dunning, Harris firm. Any other reasons which might have come to my mind are possible reasons that might have been the reasons. I

am not absolutely certain about these things. There is a chance that the Union Bank, in granting us these special credits, might have insisted upon them being carried through outside of our ordinary business credits. We have a special line of credit on our ordinary business, and as these transactions were rather big they might have desired to carry it through in a different way. Outside of that there is also the possible chance that we preferred to carry it in that way and transfer it into our ordinary account as capital instead of showing it as profits earned.

Q.—These are merely surmises.

MR. CURRIE: Conjecture.

A.—Those are the only two reasons I can think of, sir.

Q.—Did you have a special account on this credit?

A.—A special account was carried in the bank, yes.

Q.—On this account?

A.—On the Province of Ontario bonds.

Q.—Who arranged that for you?

A.—It was arranged between ourselves and the bank.

Q.—Do you mean to tell me that your bank account would have to be—that you could not carry the two on the one?

A.—We carry two or three different accounts in the bank all the time.

THE CHAIRMAN: This is only a suggestion, isn't it? I mean that is the result of your thinking over it and trying to find a reason?

A.—Those are the only reasons I know, sir. I do not know of any other reasons which would have prompted us to have a separate account beside keeping them separate for the bank and to show it as capital. Special credits were authorized by the bank to allow us to carry those transactions on.

MR. CURRIE: And you know that that was a joint account—that is the way you keep joint accounts?

A.—It was not a joint account but a special account.

Q.—Supposing any man went in to you and said I am going to deal in a special line and I want you to keep a joint account of the proceeds, that is the way it would be run?

A.—It is not a joint account at all.

Q.—It has all the ear-marks of a joint account with some one. Now you might as well tell the Committee who was in that joint account with you.

A.—There was no joint account at all. There was no thought of such a thing.

Q.—You are long enough in business to know that if you were carrying it as an ordinary account of your firm you would not carry it as a special account; but if you were carrying it with somebody to finance it you would carry it as a special account.

A.—Not necessarily.

Q.—Were you in joint account with the bank on that?

A.—No.

Q.—Why did they want to carry it as a special account with you?

A.—I suppose because they granted us a special credit for that business.

Q.—Did they grant you a special credit for that?

A.—Yes, a special credit was granted us in London for the Province of Ontario bonds.

Q.—Then you swear you were not carrying it as a joint account?

A.—Yes.

Q.—Did you carry on a joint trading account for any of your customers?

A.—No, sir.

Q.—Like that is?

A.—If you mean that we have gone in and bought securities on joint account with another, we have done that dozens of times, sir.

Q.—If I went in and said I want to trade in these Ontario securities and I will help you finance this and I want you to keep a special account so that we would know where we stood when through with the transactions, you would carry it in a special account like this and not put it in your own books?

A.—It could be done either way.

Q.—Who was on that special account—tell the Committee.

A.—Nobody.

Q.—Outside of yourself?

A.—No, sir, it was the firm's account.

Q.—Who was in it?

A.—The firm was in it. It was opened in the Union Bank's books in the firm's name.

Q.—There is a lot of money has gone out, and we want to find out where did the cheques and money go.

A.—As I understand, from Mr. Nash, those profits went to capital account, did they not, sir?

Q.—I am testing your remembrance, yourself. You cannot get Mr. Nash to tell whether you are right or wrong. You will have to depend on your own resources.

A.—Mr. Nash has gone through the entire thing, and I think it is quite plain to him.

Q.—Mr. Nash finds a lot of things missing, a lot of money missing and a lot of cheques missing and pages out of the day-book covering these transactions and pages out of the ledger. What we want to know from you is just exactly where did the money go to, this profit—did it all go into your firm?

A.—It either went into our firm direct from that special account into our ordinary business—there may have been a few hundreds or thousands or so of dollars transferred directly in myself or to Mr. Northey.

Q.—How much of that account went to you?

A.—I could not tell you unless I checked over the record.

Q.—Can you show him the records there to see if he can find out?

A.—I cannot tell from this.

Q.—What do you make of it now?

A.—I cannot tell from those.

THE CHAIRMAN: Whose handwriting is that?

A.—Our bookkeeper's.

Q.—Who is the bookkeeper?

A.—Miss Wynne.

Q.—What is her first name?

A.—Elizabeth, I think.

Q.—Is she still with you?

A.—Yes, sir.

MR. CURRIE: Now tell us when did you take those ledger sheets out of the book?

A.—These sheets here?

Q.—The sheets which are missing. There are certain sheets missing and certain accounts out of your ledger. When did you take them out?

A.—I have no idea when they were taken out.

Q.—Now you know very well—tell the Committee when you took them out, because you may find evidence here before you are through telling you when and where.

A.—A good many of these are security ledger sheets and current ledger sheets were loose in the office and were referred to a good many times, and everybody in the office had access to them for the purpose of filing so that we could see where our securities were listed for future reference.

Q.—Is that the story which you framed up with the recent witness?

A.—I have framed no story up.

Q.—Did you frame that story up along with the gentleman who was here—what was his name?

THE CHAIRMAN: Denman.

MR. CURRIE: You talked it over with him and came to the conclusion that was the explanation?

A.—Those are facts I am telling you.

Q.—Do you mean to tell me that accounts of prominent people were lying loose around your office—who had the key for the lock on the ledger?

A.—There was no key. These were loose leaves that were filed away in the vault, of the old firm.

Q.—How is it that the most important ones dealing with these entries are the ones which are gone—the others are there?

THE CHAIRMAN: Mr. Biggs' and your partners' accounts are gone, and all the Provincial Securities accounts are gone. It is pretty much to ask the Committee to believe that this is a pure accident.

A.—I can understand, sir, they would be frequently looked at. I cannot say further.

Q.—Have you any explanation to offer the Committee why Mr. Biggs' account is gone, why your own account is gone, and why your partners' accounts are gone, and why all the Provincial Securities accounts are gone?

A.—I understand that the Provincial Securities accounts are correct, are they not?

Q.—Their books are all gone, aren't they?

A.—Their records of the—

Q.—Their books are all gone.

A.—Their books, whatever there was, cannot be found.

Q.—Your original account is gone, your partners' account is gone—anything this Committee want is gone, and anything this Committee does not want they can get. What explanation have you to give?

A.—I have no explanation, sir.

MR. CURRIE: When did you pull those accounts out?

A.—I did not pull them out.

Q.—When did you last see the accounts?

A.—I cannot remember.

Q.—Do you swear you cannot remember?

A.—Yes, sir.

Q.—Did you discuss the matter with your bookkeeper?

A.—I have discussed various things with her from time to time.

Q.—Did you discuss with her and did she call your attention to the fact that you had pulled those sheets out of the ledger?

A.—No, sir.

Q.—Did she tell you that they were gone?

A.—No, sir.

Q.—When did you know that they were gone?

A.—When Mr. Nash drew my attention to it.

Q.—But you knew before that, because you told us the last time you were here,—be very careful what you say because you are standing on rather thin ice, and when you told us one story the last time you were here and now you are beginning to hedge and tell us some other story—when did you know that your account was gone out of that book?

A.—I cannot remember.

Q.—But you remember noticing it and remarking it in the office?

A.—I had no occasion to refer to it.

Q.—Didn't you remark it to your partners?

A.—Not that I remember.

Q.—Mr. Denman?

A.—Not that I remember.

Q.—But you might have—you may have talked it over with him?

A.—I do not remember doing so.

Q.—But you might have done it?

A.—I might have.

Q.—Why did you talk it over with him then, because this is a very important thing and you must have gone over all your papers when you found you were coming down here?

A.—I went over every paper we could possibly find in our vaults.

Q.—You told us that you just went over them casually before you came down here to give evidence?

A.—We have gone over them since.

Q.—Did you see that account there then?

A.—No, sir.

Q.—Do you swear positively you did not?

A.—Yes, sir.

Q.—Did you remark about it being absent when you were asked to bring it down here?

A.—No, sir.

Q.—You brought a whole lot of things down here?

A.—I was asked to bring the books down.

Q.—And that one which was the most important one of all was missing, and didn't you remark about it in the office?

A.—No, I was asked to bring my books I had, and I brought everything I had.

Q.—So that you knew the sheet was gone before that?

A.—No, I did not.

Q.—Do you swear you did not mention it in the office?

A.—As far as I remember, I did not.

Q.—What would be the reason, do you think, for taking your sheets out?

A.—If anybody took my sheet, I know of no reason.

Q.—You have given us a cock-and-bull story here to the effect that the

sheets were pulled out in order that the staff could take off who had certain securities?

A.—Which is quite true.

Q.—I think it is pure nonsense when it comes to your own account.

A.—Perhaps the records will show that they still have the list there.

Q.—Did you want to hand your own stock sheets out to the bond sellers in your house to see if they could not canvass and pawn bonds off on you?

A.—That would not be necessary.

Q.—You have said here and you have the same story framed that your partner has, that the reason that these sheets may be missing was because the staff were in the habit of taking these sheets out of the ledger to check up the list of those people who had bonds, so that they could go out and get them?

A.—That was done.

Q.—That could not be the excuse in your own case, because they had you right there in the office and you were available all the time, weren't you?

A.—Yes.

Q.—And anybody in the office knew what you had in the way of bonds, but if you were going to buy or sell bonds you would do that yourself, wouldn't you?

A.—They might want a record of my own holdings.

Q.—Did you keep that sheet out of the ledger all the time?

A.—No, sir.

Q.—Do you swear that the sheet was never in the ledger?

A.—I presume it was.

Q.—Who made entries in that sheet—yourself?

A.—Our bookkeeper.

Q.—Now, if they say, if they give an account of the time that you pulled that sheet out of the ledger, will you swear that you do not know anything about the time when you took it? Supposing somebody here swears that they were present when that sheet was taken out by you and saw you abstract it, now what do you say about that?

A.—I cannot answer a supposition like that.

Q.—Would that be true?

A.—I cannot tell.

Q.—Did you take that sheet out?

A.—Not that I am aware of.

Q.—You are not aware that you even had a million of deals are you?

A.—Yes, sir.

Q.—Now, what about the Provincial Securities sheets in your books?

A.—Is it missing too?

Q.—I am not the witness; you are, thank goodness; you are the man who has got to answer and not me.

A.—I do not know anything about it being missing, if it is.

Q.—You do not know whether it is missing or not?

A.—I do not know whether it is missing or not.

Q.—You told us when you were here before that you did not see any sheets of that?

A.—I told you I could find no records of my dealings with the Provincial Securities books. As far as I remember I made no remarks of what the records were in the books of Browning, Harris or Browning, Harris and Mulveney.

Q.—You said here that the Securities Company account was not kept in

Hamilton, and we tried to get you to explain why; you gave the intimation that the Hamilton concern was playing out and you did not want that account to go into the Hamilton books, didn't you—you went into a long explanation of how the Hamilton firm was going down hill and you did not want that account to be in their books at all.

A.—The only record in those books would be the transactions between the Provincial Securities and Harris, and the two companies of Browning.

Q.—But there was a ledger sheet for those?

A.—With the transactions of Browning, Harris and Mulveney.

Q.—Did you keep a sheet of the transactions on the ledger?

A.—I do not know how it was kept.

Q.—Are you a bookkeeper?

A.—I am not.

Q.—How did you come to be in a bank—you were whangled into a bank, weren't you—you were manager of a bank and went through various stages of a bank. How did you manage to get through without knowing something about accountancy?

A.—Bank books and business books are altogether different.

Q.—I suppose they keep bank books on single entry and they keep your books on double entry. Is that the way you did here? Do you mean to tell me that you do not understand bookkeeping?

A.—I do understand certain things.

Q.—Were they kept in an index?

A.—I do not know whether these things were kept in an index or not. They were kept chronologically according to the alphabet.

Q.—Tell us what is the difference between alphabetically and chronologically?

A.—You asked if we kept an index.

Q.—Now, I want to know what you mean by chronologically as distinct from alphabetically?

A.—No difference at all, but there is a difference between keeping an index—

Q.—What you mean, supposing you kept your book chronologically, you would take it up A., B., C.; or 1, 2, 3?

A.—A man would A.B., A.B.C. or A.B.D.

Q.—That is alphabetically. Tell us what chronologically is? I am interested.

A.—The same as alphabetically, as far as I am concerned.

Q.—Oh, no, it is altogether different.

A.—That is my understanding of it, sir.

Q.—What?

A.—That that is the way they were kept, alphabetically or chronologically—there was no index kept.

Q.—If they were kept chronologically, tell us how they would be kept? I want to know how they were kept. How could you turn up a man, supposing you wanted to turn up to Mr. Biggs, that is B., how could you go to the ledger for it?

A.—The letters would be there showing the segregation of the different letters.

Q.—How do you mean "letters"?

A.—Tags, simply a tag. But there is no index kept showing the numbers of the different sheets.

Q.—That would be kept the same as an index book?

A.—Yes, but no index kept.

Q.—Would that be chronological?

A.—I do not know.

Q.—You did not know anything about it when you said “chronologically”, did you?

A.—I guess not.

Q.—And when they speak of chronologically, does not that mean that they would be in order of dates?

A.—The order of dates?

Q.—We speak of chronology in connection with the history of Canada.

A.—Our books were not kept in order of date.

Q.—Tell us what happened in reference to the security account—that sheet is missing.

A.—Which security account?

Q.—The Provincial Securities—how many security companies did you have on the side?

A.—None on the side. One dovetailed into the other to a certain extent.

Q.—Dovetailed sidewise, as it were. Did you ever see this account in your books of the Provincial Securities Company?

A.—The account of the Provincial Securities Company with whom?

Q.—With the firm in Hamilton that you were connected with?

A.—Yes, I have seen it.

Q.—Did you know that in some cases the Provincial Securities Company's account showed the maximum profit and a very small profit to the Hamilton firm?

A.—I do not remember any particular transaction, but I—

Q.—What is the date of the transaction where the Hamilton firm made about \$1,200 and the other firm made a big sum of money?

HON. MR. PRICE: 2A.

MR. CURRIE: Give me that sheet. We have day and date for everything here, Mr. Harris. Unfortunately you have forgotten something about the books. You never knew that we had this, did you—Browning, Harris. Is this the special account from the ledger? I want the account where it shows that the firm bought a certain issue.

THE CHAIRMAN: That is it.

MR. CURRIE: Where is it? That was a special account and it shows a profit here of \$48,000 in one case and \$11,375 in another. How does it come that in certain cases you credit the bulk of the profit on that special account on those bonds that you were handling here, that the bulk of the profit was credited to Hamilton in some cases and in fact the cream would go to Hamilton on some of these accounts, and the cream would go to the Securities Company of yours in the other case? Is there any reason for that? You passed these securities you purchased and sold to Peter Smith through the Hamilton house first. For instance there is a whole raft of houses, Abrahams, Isaacs and all of these houses in New York that you were dealing with that had this security, and you passed them through your account in Hamilton first, didn't you, through this firm?

A.—All of Abraham's account went there.

Q.—All Abraham's, for instance, went through the Hamilton business?

A.—Yes.

Q.—The Hamilton house took a piece of profit, didn't they?

A.—They took it all.

Q.—Did you give anything to your Securities Company here?

A.—The Securities Company was not in existence then. That was a year and a half or fifteen months afterwards.

Q.—That is Abraham's account?

A.—Yes.

Q.—In the first case, where you had the Securities Company put through two transactions here, how much of the profit did the Hamilton house get?

A.—That was just after the time when Morgan Dean, Harris & Mulveney were ceasing business, and some of the transactions and in fact quite a few of them were purchased at that time and sent to Hamilton and then sent to the Provincial Securities Company at Toronto.

Q.—After they had taken a slice off at Hamilton they sent them on down here?

A.—There were certain profits that went to Morgan Dean and Company.

Q.—And certain profits to the Provincial Securities.

A.—Yes, sir.

Q.—Then it went up to the Parliament Buildings? Did they make any profit up here—they paid, wasn't that it?

A.—Yes.

Q.—You paid a little more for the bonds when you bought them than the ordinary market price—is that not right?

A.—In some cases, that is correct.

Q.—For instance, the bonds which you purchased from the Manufacturers Life?

A.—They were bought for the current market.

Q.—You bought them at current quotations?

A.—No, they were bought from those people at their book value.

Q.—Which is a little higher than the market value? Did you pay the Canada Life the same?

A.—I thought I was buying them at the book value.

Q.—He took a little extra profit out of you there, didn't he?

A.—I did not know anything about that at the time.

Q.—Then the Hamilton House got a little bit of profit out of that?

A.—Yes, sir.

Q.—How much did they get out of it?

A.—I cannot tell you without referring to the records.

Q.—Then you took them to the Provincial Securities and the Provincial Securities took a little profit out of it before you handed them in up here; so that there were several copies all along the line, the people who sold them to you made a profit, the Hamilton house made a profit, and then the Securities Company made a profit. Did you account to the Hamilton house for all the profits of the Securities Company?

A.—Morgan Dean, Harris & Mulveney.

Q.—Yes, did you account to the Hamilton house for all those profits?

A.—No.

Q.—You kept those?

A.—Yes.

Q.—When I pressed you the other night to tell me what you did with the \$10,000 you said it would implicate somebody. Do you remember that?

A.—Yes.

Q.—Was there any truth in the statement that you had given this money to your father-in-law, \$5,000 of it.

A.—Which money?

Q.—You said you gave \$5,000 to your father-in-law, Mr. Browning.

A.—I made the statement that I had given him \$5,000. I have since found out, in checking over my records, and going through the thing with Mr. Nash, that while Mr. Browning got \$5,000 it might have been in an indirect way and not actually out of those profits. Those profits represented bonds which were traded in and re-sold; and without referring, as I said this afternoon, to Mrs. Harris' bank account, I cannot tell you whether I paid it direct or whether Mrs. Harris did.

Q.—Then you tell us to-night that the story that you framed up the other night was not true, as far as your father-in-law was concerned—you were mistaken.

A.—I was mistaken in this way, Mr. Browning got the money; but I gave you my opinion the last time I was here as to how I thought I had disposed of the \$25,000 or \$30,000.

Q.—How much do you say you gave your father-in-law then?

A.—The amount which I gave Mr. Browning, which Mr. Browning got from me, I cannot remember the exact date, was \$5,000.

Q.—There is a transaction appearing in the books of your company at Hamilton where it is shown that you bought a certain bunch of bonds from your father-in-law and turned them over the same day at a loss of \$5,000. That was not making money, was it?

A.—No, sir.

Q.—How did that happen?

A.—It was simply a bookkeeping entry on our part.

Q.—Do you throw entries for \$5,000 around like that in your books.

A.—I had complete supervisions over Mr. Browning's account.

Q.—Was that the \$5,000 you speak of?

A.—No, sir.

Q.—As a matter of fact, did you give \$5,000 to your father-in-law. Have you forgotten now that you did not do it at all, and when you said it the other night you did not mean it.

A.—I have told you a good many times that Mr. Browning got \$5,000. Mr. Browning can verify that.

Q.—But you qualify it and it was not at that time?

A.—I do not think it was at that time. I am sure it was not.

Q.—Did you give Mr. Caldwell any money?

A.—Dr. Caldwell got over a certain period,—I cannot tell you how long.

Q.—Who else got a little money out of that account?

A.—Out of which account?

Q.—That account, out of which you said you bought a house,—did you buy a house, or was that a pipe dream.

A.—I have not checked up.

Q.—Have you checked up with Mr. Nash whether you bought a house or not?

A.—No, Mr. Nash has not checked up what I did with my moneys during those two years.

Q.—Did you show Mr. Nash what happened on those transactions?

A.—Mr. Nash asked me to meet him this morning at nine o'clock, and I

brought a statement to show what I had done with my money and my wife's money in the last year and a half. Unfortunately, I did not meet Mr. Nash this morning, as I understand he had another engagement.

Q.—Then the story which you told us the other night with reference to the expenditure was not altogether right, there are some modifications which you make in it now.

A.—I was asked here the other night, Mr. Currie, largely from memory as to how I spent certain moneys.

Q.—The other night you wanted to explain it in some way.

A.—I was pressed for the reasons.

Q.—So you said you gave some to your father-in-law and some to the doctor. How much did you give to your father-in-law?

A.—My father-in-law got \$5,000 from me.

Q.—And you gave \$4,000 to the doctor?

A.—He got that much money.

Q.—Or was it \$5,000 for the doctor,—I think it was \$10,000 altogether.

A.—\$4,000.

Q.—Now, you cannot remember what happened to the ledger sheets with reference to the Securities Company, that is as far as the Hamilton books are concerned?

A.—Mr. Currie, I do not even know whether they are missing or not, I understand that.

Q.—There is another account or two missing. What about your partner's account?

A.—I cannot give you any statement.

Q.—They are missing from the ledger too. He would not want his accounts in the ledger to be handled around by every common salesman in the office. Do you mean to tell me that every stock salesman in your office had access to your ledger?

A.—Yes.

Q.—Some fellow would go in there and abstract a list of all your customers.

A.—It has been done more than once. Some of our salesman who leave us take that list with them.

Q.—Do you think some of them carried off those sheets.

A.—I have no idea. I do not think so.

Q.—Your partner's sheet was gone also, vanished, gone out of the ledger. You cannot tell how. You do not know whether your partner took them all out, do you?

A.—No, sir.

Q.—You did not think he would, do you?

A.—I do not know.

Q.—Now, there was an account of Mr. Biggs in your ledger. What happened to it?

A.—I presume it was lacking the same way as the other sheets were.

Q.—You presume somebody took that out also? You do not know who it was?

A.—Mr. Biggs' account was not particularly active. He had quite a few transactions, but not—

Q.—We have been shown here that the transactions of Mr. Biggs ran into thousands and tens of thousands. Is that right?

A.—He had some big transactions with us.

Q.—How did his account run before he became Provincial Highway expert here? Before he became Minister of Public Works?

A.—In 1919.

Q.—Yes?

A.—We had some transactions with him then, I understand. I do not know how big they were.

Q.—Was he a fortunate speculator?

A.—I do not know. He made some money in some transactions with us, I know that.

Q.—He did not make much money in the transaction you put him in, did he?

A.—Which ones do you refer to?

Q.—For instance, Beaver Trucks and several other concerns that have been mentioned here. He lost some money, did he not?

A.—He lost his capital stock that he put in with Browning, Harris & Mulveney.

MR. CLARKE: Do you remember if Mr. Biggs had some Beaver stock?

A.—I do not think he had.

MR. CLARKE: Don't get mixed up with Beaver stock.

MR. CURRIE: This man has been telling us various versions. I am trying to test his veracity.

MR. SINCLAIR: How do you think you are getting on?

MR. CURRIE: Was Mr. Biggs' account a large account before he became Minister of Public Works, or was it just a little, small, modest one?

A.—If I remember correctly.

Q.—Did he deal in hundreds then?

A.—No, I think he had more dealings than that. That would have to take me back in 1918, and those records in 1918 would be Morgan Dean, Harris & Company.

Q.—You went around with him on this Victory Loan business, didn't you,—you had charge of Wentworth?

A.—Yes.

Q.—You had Mr. Biggs in his own municipality to go around and canvass the farmers for Victory Bonds?

A.—He canvassed himself, I did not go with him.

Q.—How much commission did you pay him?

A.—I think the commission a salesman got was either a quarter or a half of one per cent.

Q.—He got a quarter of one per cent. for all the Victory Bonds which he sold to the farmers in his own municipality?

MR. CLARKE: I suppose they all got that. Was not that the custom, Mr. Chairman?

THE CHAIRMAN: You had your turn, and will have it again.

MR. CURRIE: You have said you did not go with Biggs over the municipality.

A.—I was the organizer and I had seventy salesmen under me.

Q.—And Mr. Biggs was one of those salesmen?

A.—He was in 1917 and 1918, I think. In 1919, the elections were on and he could not act. I am not certain about that, but I think that is the case.

Q.—Then, if Mr. Biggs says that you went all over the municipality with him, he is not accurate in that remark?

A.—Well, my time was taken up with all of them at different times, and I

naturally would go to meetings with nearly every one of them in each different part of the county. I would go to public meetings with each one of them.

Q.—But you did not go around canvassing?

A.—In some cases I did, to people I knew personally.

Q.—You did not generally go all around that municipality with any of the agents,—is that right?

A.—Not much of my time was taken with any one of them.

Q.—That was when you first met Mr. Biggs, was it not?

A.—In 1917, I think it was. It might have been before that, I am not sure.

Q.—How did you come to put Mr. Biggs' name on the Beaver Truck business. He said it was put on without his authority.

A.—I do not know anything about it, sir, Colonel Currie, in our business we—

Q.—Any reason for inserting it?

A.—I want to give you the reasons why I do not know. I was manager, in our business, of the bond department.

Q.—You were the bond trader?

A.—Yes, Mr. Morgan Dean and Mr. Murphy handled all the stock quotations of any kind. Anything that took place on any quotations I do not know anything about.

Q.—I was in doubt. I had the impression that Mr. Biggs said this morning, that you had not gone around with him canvassing at all. If he swore to that, is that correct, that you did not go around the municipality with him canvassing the farmers?

A.—I cannot tell you. I may have gone two or three places. That is five years ago, and I do not recollect. I spent some time with all of them.

Q.—How many did you go to?

MR. CLARKE: Mr. Biggs did not say that.

THE WITNESS: I might possibly have gone around to a dozen or fifteen of them, or perhaps none of them. In some cases, there may have been no necessity.

MR. CURRIE: When did you find out that Mr. Biggs' sheet was out of those in your office?

A.—Mr. Nash drew my attention to it.

Q.—What about the sheets which were missing from the day book, those were the original entries?

MR. CLARKE: The cash book?

A.—The cash book, those things were all lying loose in the vault.

MR. CURRIE: Was the cash book a loose-leaf book too?

A.—Yes.

Q.—You do not know anything about who took those sheets out?

A.—Not any definite. I know they were continually referred to.

Q.—Do you mean to tell me that everybody was referring continually to your cash book sheets?

A.—Not everybody.

Q.—Who was referring to them?

A.—The bookkeeper, and Mr. Denman might have been, and I might have myself.

Q.—They did not have to pull out the sheets to refer to them, did they? Anybody in the office who wanted to look at the sheets would take the books and look them up, wouldn't he?

A.—Not the old records; those were not kept in a book; they were loose leaves.

Q.—They would be in a frame,—they were in the covers, weren't they?

A.—The covers are being utilized now for our present books.

Q.—That is not what I asked you at all. When they were running that book in the office, there was a patent cover on the cash book in the office.

A.—When they were current sheets, yes.

Q.—Why were the sheets taken out?

A.—Because they were through with any sheets that were taken out, when we were through with Browning, Harris & Northey's books.

Q.—Do you swear you do not know who took those missing sheets,—you are on that here.

A.—I cannot swear. I do not know that. I do not know who took them.

Q.—Do you know who took them?

A.—No, I do not.

Q.—Are you sure that somebody did not tell you that they were taken out of there?

A.—I cannot remember whether they did or not. These records were three or four years old.

MR. SINCLAIR: These books belonged to the old company of, what is the name?

THE CHAIRMAN: Morgan Dean & Harris.

MR. SINCLAIR: Morgan Dean & Harris—is that right?

A.—No, Browning, Harris & Northey.

Q.—When that company failed, where were those books taken?

A.—Simply taken and put in the vault any place.

Q.—What vault?

A.—Our own vaults, in our own office.

Q.—That is the new company continued on.

A.—Continued on in the same office.

Q.—And the covers were taken off and used in the new business, but the contents were placed in the vault.

A.—Yes.

Q.—What year was that?

A.—Browning, Harris & Northey were in business in 1921, 1922 and the first two months of 1923.

Q.—That would be about the 1st of March, 1923, the sheets were taken out of these books, were placed in the vault. Now, then, from that time on who has had access to that vault?

A.—Anybody in our office.

Q.—Who is anybody,—give me their names?

A.—There is the bookkeeper, Miss Wynne, Miss Melody, the stenographer, we have had three or four other stenographers during the interim; I do not know where they are now; and half a dozen salesmen, Mr. Denman, Mr. Ramsay and myself.

Q.—Then what you swear to this Committee is that anyone from the stenographer up can go into your vault and go over any papers in the vault?

A.—They always do, sir, that is the practice.

Q.—I want you to swear whether anyone in your office from the stenographer up can go into your vault and go over the papers and handle them.

A.—It has always been done.

Q.—So that the partners in the business have no control over what they have in their vault?

A.—Not when they have access.

Q.—That might happen with coupon bearer bonds?

A.—That is possible.

Q.—And you have no way of knowing whether coupon bearer bonds might have been taken out of the office by some junior stenographer?

A.—Not outside of the fact that we have people whom we trust there.

Q.—But your system is that everybody from the junior stenographer up has access to the vault where your private papers are kept?

A.—Yes, sir.

Q.—You have no track of the private papers?

A.—Practically none. The bonds are kept in boxes and the keys are kept there where everybody can utilize them.

MR. CURRIE: Do you mean to tell me that you let everybody have access to your bond box?

A.—Yes.

MR. BELANGER: Regarding the cash book, at what particular time would you take the loose leaves from the binder and store them away in the vault?

A.—I cannot answer that, sir. It all depends upon the bookkeeper. It might have been done once a month or once every six months. I do not know how she kept track of them. But these were records of a company that had ceased to exist and was not operating in the last year and a quarter, and were all filed away together.

Q.—I am talking about the cash book. Do you mean to say that you had such an amount of transactions that the binder would get so bulky that you took the leaves out of the binder and put them away in a loose shape in the vault every month or every two months or every three months, so far as the cash book was concerned?

A.—Not the current sheets, sir.

Q.—Say since 1919 or 1920, would you take the sheets from the binder and store them away in the vault?

A.—It might possibly have been done. It might have been done when the different firms ceased operating. They might all have been kept out and put in a different place, kept together.

Q.—What about the ledger? Would you take a loose leaf from the ledger binder, a ledger account that was not closed and take it away from the ledger and put it away in the vault before the account was closed?

A.—That might have been done,—any account that was not closed might have been kept at the back of the current ledger.

Q.—You do not mean to say that any ledger account that was not closed, that you would take that loose leaf and take it away from the ledger binder and put it away in the vault where all the other people might have access to it and where it might be lost?

A.—I cannot see, myself, any reason, if the account was not closed, why the sheets should be filed away.

Q.—Regarding the bond transactions that took place, some of the bonds that you disposed of to the Government as the Provincial Securities Company, were bought from Morgan Dean, weren't they?

A.—They were bought indirectly from Morgan Dean.

Q.—By the Provincial Securities from Morgan Dean?

A.—They were taken up by Morgan Dean and shipped by them to the Provincial Securities Corporation.

Q.—We have been made to understand this afternoon or this morning that the Morgan Dean bought the bonds from the holders in New York or elsewhere, and then they disposed of them to the Provincial Securities Company, who disposed of them to the Government. Now, what I would like to know is who negotiated the purchase for the Morgan Dean people?

A.—I did myself, sir.

Q.—And who negotiated with the Morgan, Dean people for the Provincial Securities Company?

A.—When those bonds would come in to Morgan Dean, I would simply send them over to the Provincial Securities Company, because that is who I bought them for in the first place.

Q.—So that your only explanation of the double profit, one to the Morgan Dean Company, and the other to the Provincial Securities Company, would be a matter of bookkeeping?

A.—That is all.

Q.—In the same way with the Browning Company, you negotiated the purchase for the Browning Company who disposed of the bonds to the Provincial Securities Company, who disposed of them to the Government.

A.—I do not think there were many securities went from the Browning Company to the Provincial Securities Company; if there were, they might have been purchases which had been made and delayed in delivery, and then ultimately cleared through the Provincial Securities Company.

Q.—I understand that the Browning Company made large profits where the Securities Company made small profits, and it was the reverse with the Morgan Dean Company. Am I right in that?

A.—The Browning Company dealings were direct with the Government.

THE CHAIRMAN: Mr. Nash can tell us.

MR. NASH: I put in the statement this morning that the Morgan Dean made a profit of \$24,556.00 on the sales to the Provincial Securities Company, and the Provincial Securities made \$24,548.00 on the re-sale of the securities. In the case of the Browning, Harris Company, the case was somewhat reversed, the larger profit was made in the first place, and the smaller profit in the second place.

MR. BELANGER: Both in the case of the Browning Company and in the case of the Morgan Dean Company, you negotiated a purchase from the original holders of the bonds.

GEORGE B. HARRIS: Yes, I did.

Q.—As well as you personally negotiated with the Government for the Provincial Securities Company?

A.—Yes.

THE CHAIRMAN: In other words, he represented all the parties, all the steps except the original vendor.

MR. BELANGER: Yes.

THE CHAIRMAN: Why he divided it up in that way, nobody seems to know.

HON. MR. PRICE: Do you remember, Mr. Harris, when you were here before, I asked you if you had advertised for these securities through the press?

A.—Yes, sir.

Q.—And you have found out since that you did?

A.—Yes.

Q.—Who advertised for them?

A.—Corley, Gordon, Keen & Howard.

Q.—A law firm in Toronto?

A.—Yes.

Q.—You had asked them to advertise and get these securities for you?

A.—It amounted to that. I asked them if they could get any for us.

Q.—And they advertised in the press and bought securities for you, and I see the cheques here have gone through,—here is a cheque for \$5,231.86, and another for \$10,423.06, and another cheque for \$29,421.34. That is correct?

A.—I presume so.

Q.—The items are here produced by the auditor.

A.—I presume they were taken from our books.

Q.—What I said to you at that time was that you had inserted advertisements in the papers for the purpose of picking up these securities, was correct?

A.—I found out an hour afterwards, after you told me, that it was correct.

Q.—Surely you would know,—you were then practically advertising to take in these securities because you had a market with the Government for them,—that is right?

A.—I mentioned to one member of the firm that if they were in a position to purchase any we would be glad to buy them from them.

Q.—That you had a market with the Province for them?

A.—Either that, or we would have carried them on until we could have sold them.

Q.—You would not go out and advertise for them and bid up a price? That is a good way to bid up the price of bonds, to advertise in the press that you would buy them in.

A.—At the same time, even to-day there are people who will advertise that they will buy them.

Q.—The point is, when you advertise for anything anywhere in the daily press, and say you want to buy it, the price goes up then.

A.—It would create a demand.

Q.—And that is what you did. Now, I have a list here in Exhibit 186, where you bought in from Insurance Companies and Loan Companies, like the London & Lancashire Insurance Company, and the Barbados Fire Insurance Company, the Australian Company, the London & Manchester Association,—twenty or thirty of them here. Were they comprised in the list which you produced to the Committee the last time you were here. You remember you produced a list, some you had scored out and others were still unscored.

A.—I cannot remember what is in that list.

Q.—Having taken the list and taken them from the Blue Books and reports, you went out to buy them?

A.—Yes.

Q.—And you offered the companies an attractive enough price to enable them to sell them, thinking that they were making a little more profit than they had on the books.

A.—Possibly, some of them.

Q.—We had positive evidence from two of the companies and from the prices paid, shown in Exhibit 186, I should think that is right; then the others you bought through Abraham & Company?

A.—Yes.

Q.—We dealt more particularly with the Provincial Securities when you

were here before. We now have Browning, Harris & Company. Browning, Harris & Company sent a representative to the Old Country to buy,—the Browning, Harris, Northey Company. You knew you had a sufficient market with the Province that you could afford to send a representative to the Old Country to pick up these bonds?

A.—That was one of the objects.

Q.—Mr. Northey went over there and he bought bonds, did he not, when he was there?

A.—Yes, he got quite a few bonds there.

Q.—And what you did not buy from them you bought through Abraham & Company, in addition to buying them through your representative, Mr. Northey?

A.—It was all the same. Mr. Northey was dealing with Abraham & Company's agent in London.

Q.—Who were the agents in London.

A.—Kemp, King & Co.

Q.—So that having a guarantee or that you thought the Province would take these bonds in, as many as you got, you went out to buy on a big scale and sent your partner to London, and had a brokerage firm in London look after your buying there, and another firm in New York.

A.—That was all the same.

Q.—You would get it on a good big scale,—did business on a big scale?

A.—Yes.

Q.—A million and a half of business for Browning, Harris & Company, and over half a million for the Provincial Securities speaks for itself, does it not, and we had Mr. Nash produce a statement here showing that where you bought these bonds and sold them to ordinary clients you made quite a small sum on them where you turned them over. That is right, is it not?

A.—I presume so.

Q.—It is in your books and produced by the auditor,—we did not send him up there for fun,—where you sold these stocks. You bought them where you could buy them, and where you did not sell them to the Government, you made a small profit on them turning them over.

A.—We bought them from a lot of people, evidently presuming that the Government would buy them. In some cases we were turned down, and the Government did not buy them; and we turned them over and got rid of them.

Q.—But in the cases where you sold to the Government, you made quite a handsome profit?

A.—Yes, sir.

Q.—That shows the policy and how you got the business, and you made your profit. Before we adjourn I want to ask you some questions, and I would like now a direct and positive answer. Your evidence before this Committee has been such that I do not think there is any member of the Committee believes half of it, and there is no use of a man going out from a Committee like this, and feeling that he is not believed by the Committee. It is an unfortunate situation for you. If you have been drawn into it one way or the other, it is not our fault, it is a condition. Now, there is \$31,000 of profit in the Provincial Securities Company, and you have invested them apparently in a list of these stocks that I gave you a list of before the adjournment, and you went over that \$31,000 and you have not given us a satisfactory explanation of what you did with those stocks. You bought them and you had them in your hands, and you say you gave part of them to your wife and kept part of them yourself. I do not know

how much you gave to your wife or how much to yourself. I want you to tell the Committee what you did with that stuff. It was your profit, it was all yours and what did you do with it?

A.—Mr. Price, I am telling you the absolute truth that I gave my wife part, and what I gave for my own purposes I cannot give you the exact ratio; but if you want me to produce my wife's bank account showing where the deposits were and what the disbursements were, I can get it for you to-morrow morning. I can trace up a good many thousands.

Q.—I am not asking you to trace anything but the stocks you bought. Mr. Nash has sworn you produced this as a statement of the audited account this morning, and you said here in the statement was not accounted for by Mr. Harris, \$31,972.00; and you could not find any accounting for it.

A.—That is right.

Q.—And you are here swearing that you have gone through the books and you find no accounting of these stocks, of where they went to?

A.—No, sir.

Q.—Now, you are here to explain. How can you explain it?

A.—The only explanation I can give is what I have given you. I will do my best to trace the bonds up and see where they went and what disposition was made of them. I think I can do it to your satisfaction.

THE CHAIRMAN: Have you got any of them now?

A.—No, sir, none of those securities.

Q.—Has your wife any?

A.—None of those securities now. They have been traded over many times since that.

Q.—What did you do with them,—did you give them to anyone?

A.—The moneys represented by those securities have been turned over and it has gone into different things. The moneys have been spent.

Q.—Were they given to anybody?

A.—Nobody but Mrs. Harris and myself.

Q.—And you cannot tell about the disposition of a single one of them?

A.—Outside of that, no.

MR. BELANGER: To your knowledge, Mr. Harris, did any member of the late Government,—we have been asking straight questions and a lot of them,—did any member of the late Government or of any Government, or any official or employee of the Provincial Civil Service, receive directly or indirectly any money consideration or other consideration or any direct or indirect advantage in connection with the sale of any bonds by you to the Government?

A.—Not to my knowledge, sir.

THE CHAIRMAN: Not to your knowledge—answer the question.

A.—No, sir.

Q.—What is the good of quibbling about your knowledge? You know whether you did or not, tell us the truth. Mr. Belanger has put you a fair, comprehensive question, and let us have a straight answer to it.

A.—I have told you; no, sir.

MR. NESBITT: During your time in the bond business at Hamilton, you would have audits made from time to time by independent auditors.

A.—By our own auditors.

Q.—By an independent audit firm in Hamilton or Toronto?

A.—Yes.

Q.—What was the name of the firm?

A.—Thorne, Mulholland & Company.

Q.—In your firm of Browning, Harris, Northey & Company, did you carry a special account?

A.—Nothing outside of the Provincial, at least the Province of Ontario securities; and we might possibly have carried for Victory Loan Bonds.

Q.—I understand that there was a special account in that firm of Browning, Harris & Company, and that this special account was not audited. Is that right?

A.—Yes, sir.

Q.—Why?

A.—I cannot tell you why. I presume because it did not go through our ordinary business books, and those are the only books that our auditors were auditing.

Q.—But you had a special account in connection with your business, is that right?

A.—For that particular transaction, yes.

Q.—Why would not that account be audited?

A.—I really cannot tell you, sir, I do not know.

Q.—You were the head of the firm, it was your firm, you had auditors in to audit the books, and they audited every other account, but this one special account. How much money was there in that special account?

A.—I think about \$60,000 was transferred over.

HON. MR. PRICE: That was the profit?

A.—Yes, sir.

Q.—The transactions themselves ran up over a million.

A.—The transactions ran up about a million dollars.

MR. NESBITT: That account you cannot trace up how the money went.

A.—Yes, we can trace it up. That was all transferred over to our regular business.

THE CHAIRMAN: You pay these auditors?

A.—Yes.

Q.—And the purpose of an audit is to keep the accounts straight between you and your partners, I suppose, and keep the books straight?

A.—Yes.

Q.—And your partners were as much interested in this special account, which ran over a million dollars with the Province of Ontario, as you were?

A.—Yes.

Q.—The profits I think, were turned into your firm account?

A.—Yes.

Q.—Why should you pay auditors to audit part of your accounts, and not turn them on this other which ran over a million dollars?

A.—I cannot tell you, Mr. Finlayson. I do not know, in the first place, why it was not audited.

Q.—You know it has not been audited.

A.—Yes, I know.

Q.—You knew at the time it was not being audited.

A.—Possibly so. I cannot remember whether I did or not.

Q.—You got a statement from your auditors?

A.—Yes.

Q.—You knew that that statement did not cover this special account?

A.—Yes.

Q.—And therefore, you knew that they were not auditing that?

A.—Outside of the entries that came in.

Q.—You knew that the auditors were not auditing that special account?

A.—Yes, I would.

Q.—They did exactly what you told them, didn't they?

A.—Possibly so. I cannot remember that. I cannot remember giving them any instructions not to audit them, or whether they might have had some reasons of their own that they did not want to audit them.

Q.—You are going to get this Committee in a state that they are going to report your answers to the House if you go on a little longer. I think every member of the Committee will agree that this is getting absurd.

A.—I do not mean to make it so, sir.

Q.—There are two or three things to-night that are plain, clear, straight business matters. If there is any reason for this special account that you want to hide it from somebody, tell us who you want to hide it from, and then if there is any reason why the auditors did not audit that large sum with a handsome profit in it, tell us that and we will know something.

A.—It is highly possible, Mr. Finlayson.

Q.—I do not want anything highly possible, but I want reasons.

A.—This is a definite fact.

Q.—You are not a fool and you were running a business that you were making a good profit on, and for some reason you ran part of it through a special account; and you paid auditors to audit your general accounts. It was not a case of it being your own and it did not matter; your partners were as much interested in it as in anything else; and you paid the auditors to audit the general accounts. Why were the auditors kept off this other?

A.—I know of no reason why they were kept off; but I know that we might have preferred to have that turned into our general account as capital, and not have it turned in as profits.

Q.—I cannot see how it makes the slightest difference?

A.—If we anticipated that we were going to make a lot of money there, we might also have anticipated that we were going to have to pay a big income tax on it.

Q.—Is that the reason?

A.—I cannot tell whether it is or not, but it looks feasible.

Q.—I do not know what view the Committee is going to take in this, but I may suggest that you are getting yourself into a very serious condition.

A.—If it will do any good to say that that was the reason I could say it, but honestly I do not know whether it was or not.

HON. MR. PRICE: Although you made \$60,000 out of that special account, I see from the statement that the profit of your firm was only some \$35,000 for that year.

A.—There were some big losses.

Q.—I did not include that \$60,000,—that went into your capital account? It did not go into your profit account at all, but went into pay your capital?

A.—But the net profit for the year was only \$40,000.

Q.—Here is Thorne, Mulholland & Company's statement for the very company which we have here under discussion, a gross of \$35,323.94. That is correct, is it not?

A.—That will include the business that went through, but not the \$60,000, because it went in as capital.

Q.—Thorne, Mulholland & Company made a report on December 31st, 1922 to March 23rd, 1923; during the year 1922, you made a profit of \$60,000 on that special account and it did not go through to the auditors as your profit.

A.—No, sir, it went to capital.

Q.—Then when you come to your book here showing who made the withdrawals on capital, I see that Mrs. Harris and Mr. Northey made withdrawals. I think you were a member of the firm.

A.—It was carried on under my wife's name.

Q.—And were the withdrawals of equal amount, fifty fifty.

A.—Yes.

THE CHAIRMAN: The auditor's report is marked Exhibit 195.

HON MR. PRICE: Then this \$60,000 was divided up to capital account between Mrs. Harris and your partner, Northey?

A.—Yes, sir.

Q.—And there are items here all the way along, July 7th, 1922, \$2,000; July 8th, \$2,000; July 17th, \$6,000; and so on. Now let me just ask you this: this money that Mrs. Harris drew and that Northey drew, what proportion of it was paid to someone else?

A.—Do you mean these moneys that came in from capital account?

Q.—These moneys which were apparently credited to capital account, this \$60,000 profit which was divided up, what proportion of that did you pay to someone else?

A.—We paid no proportion outside of to our own salesmen, which would be charged up and shown on our regular books.

Q.—Did this amount credited to capital, that Mrs. Harris got, remain with Mrs. Harris?

A.—It remained in her capital account until her drawings.

Q.—Here are your drawings again, \$3,500, \$200 and so on and an item of \$13,243.00?

A.—Would that be her complete drawings for the year?

Q.—It could not be for the year, because this is all in the year?

A.—That would be Mrs. Harris' drawing account for the year; and Mr. Northey's there, you see. Then here would be the next one, half of profit, and so on, a drawing account for the next year.

Q.—These drawing accounts, that \$13,443.13 for that period have nothing to do at all with the Provincial Securities?

A.—No, sir.

Q.—That is an entirely separate matter?

A.—Yes.

Q.—So that Mrs. Harris or yourself drew in 1922, \$13,443.13?

A.—Yes.

Q.—And Northey, did he draw the same amount?

A.—A little more.

Q.—\$14,746.15?

A.—Yes.

Q.—I see among the various things, border cities. What is that?

A.—Bonds.

Q.—You seem always to draw this out in bonds?

A.—That was our business, and that was the way we did it.

Q.—And where did the bonds go?

A.—Evidently held for a while and perhaps turned back and used as collateral.

Q.—So that really what you tell the Committee is that in the Provincial Securities, as well as the profits that were made out of this firm, you draw them in bonds. Were these all bearer bonds?

A.—Yes, they all would be, to be negotiable at the bank.

MR. BELANGER: You told me some time ago that it was a matter of bookkeeping, the distribution of the profit between the Morgan Dean Company and the Provincial Securities Company. I see here a profit of \$11,786, \$1,381 being apportioned to the Morgan Dean Company and \$10,404 of the profit to the Provincial Securities Company. A pure matter of bookkeeping, do you say?

A.—Did that cover a number of transactions?

Q.—Just the one, three and half per cents., 1st July, 1933. This profit was \$11,786, of which \$1,381 profit was apportioned to the Morgan Dean Company, and \$10,404 to the Provincial Securities Company.

A.—That would be perhaps fifteen or twenty different transactions. I do not know.

Q.—Supposing it was, you said that in both cases you were acting for both companies, for the Securities Company and for the Morgan Dean Company?

A.—Yes, sir.

Q.—And \$1,381 was apportioned to the Morgan Dean Company and some \$10,000 to the Securities Company?

A.—Yes, sir.

Q.—Likewise, of a profit of \$1,935, \$345 were apportioned to Morgan Dean and the balance to the Securities Company—more to the Securities Company than to the other. But now we come to Browning, Harris & Northey Company and we find matters reversed, a profit of \$5,459 was apportioned as follows: \$5,379 to the Browning, Harris Company and only \$80 to the Provincial Securities Company, and so on. Now what I would like to know, Mr. Harris, so as to have a comprehensive understanding of the whole thing, is how is it that as regards the Morgan Dean Company, their profit as compared with the profit of the Provincial Securities Company was so small, while in the case of the Browning Company, their profit would be so large as compared with the Provincial Securities Company.

A.—The Browning Company was the company that I formed after I got control of the Morgan Dean, Harris business, and consequently the Provincial Securities Company was no longer existent, and therefore the bonds that went into the Government then went in from the Browning Company.

Q.—Still I see two or three items there where profit is accruing to the Provincial Securities Company, even after the Browning, Harris, Northey Company was formed?

A.—I do not understand that, because these sales would go direct from the Browning Company to the Government.

Q.—Here are the particulars by the Provincial Securities Company and by the Browning, Harris, Northey Company.

A.—It might have been that one transaction or another might have been put in through the Provincial Securities Company to clean up possibly an order that we had for them to deliver for some small amount. You see, it is such a small amount that it might have been done in that way.

Q.—What explanation would you give in view of the fact that you were

doing everything, in regard to the apportioning of profit between Morgan Dean Company and the Provincial Securities Company?

A.—There was no set figure which the Morgan Dean Company should get. The bonds which they paid for went through their bank account, which I was doing myself; simply to reimburse them for the business transactions which went through their account, that is all. It is a very small proportion of the whole thing.

Q.—If only the Provincial Securities Company had been investigated, the profit would look smaller?

A.—Naturally, it would be very much smaller in bulk of bonds.

THE CHAIRMAN: In other words, you were dividing up the profit?

MR. FISHER: Mr. Chairman, might I ask a question of Mr. Nash with regard to the loose leaves? The statement has gone out from members of the Committee to-night and the impression has been left that the only leaves that are missing from the ledger were those that had reference to Mr. Harris' account and his partner's and Mr. Biggs and the Provincial Securities, that the only ones that we want are the only ones which are missing. Now, from what you found on your investigation the other day, Mr. Nash, would you say that that is absolutely right, or that in the general carelessness of business in Mr. Harris's offices, a great deal of the stuff is missing?

MR. NASH: I am not able to say that the only sheets which were missing are those in connection with Mr. Biggs' account or the other accounts mentioned; because we tried to take a balance out of the ledger and found it considerably out. How many sheets were missing we could not say. From general observation I would say that not a great many sheets were missing; but I could not say definitely that the only ones missing are those special ones referred to to-night.

MR. CURRIE: Now, Mr. Harris, you said a special credit was arranged with the Union Bank with reference to these securities, is that right?

A.—Yes, sir.

Q.—Who was in the firm at that time? You weren't in the firm, were you—Mrs. Harris was acting for you in that firm?

A.—The firm was carried on under Mrs. Harris' name.

Q.—She was not implicated in the loan to the Union Bank at all?

A.—No, sir.

Q.—There was a special credit made in England by the Union Bank provided to buy these bonds?

A.—Yes.

Q.—What was their allowance for it, do you know?

A.—As far as I remember, the Union Bank made about \$10,000 on it.

Q.—Out of this \$2,000,000 worth of stuff?

A.—Yes.

Q.—Did they know you made a good profit out of it?

A.—They knew we made a good profit.

Q.—Didn't they want some of that profit?

A.—They did.

Q.—You didn't give them any, did you?

A.—They got some of it.

Q.—How much did you give them?

A.—I think my total payments to the Union Bank all told—

Q.—I want on these transactions?

A.—That is what I can tell you. I think they ran between \$6,000 and \$7,000 spread over the complete period.

THE CHAIRMAN: Is not the amount \$4,300?

A.—That only spreads over a certain period.

MR. CURRIE: I am referring to the particular period when they were handling these securities?

A.—At the time they did not get very much, because they got it spread over so much every month out of me.

Q.—So this is out of this special account and all that which we are talking about here was really an account of your wife's?

A.—It was carried on under my wife's name. I had a power of attorney from her.

Q.—But the business was really in your wife's name?

A.—Yes.

Q.—What was your reason for that?

A.—For the simple reason that I was obligated to the bank on a guarantee for a large amount. I owed the bank myself, personally, originally, \$19,000, and I could not possibly carry on business under my own name. You know banks, they would take it off.

Q.—You could not carry on in that state?

A.—I could not.

Q.—They were kind of lenient to you, though, were they not?

A.—They were very, very lenient.

THE CHAIRMAN: Then, Mr. Harris, when you owed the bank considerable in excess of \$100,000, how did you come to lend \$5,000 to Browning, and \$4,050 to Caldwell, and \$1,000 to G. M. Harris—over \$10,000 in loans when you were indebted in this huge sum?

A.—I was indebted to the bank by way of guarantee.

Q.—I do not care how, but when you were in this insolvent state and had to carry on business in your wife's name, and owed the Union Bank this large sum, how did you come to lend over \$10,000.

A.—I preferred to have it like that, to have it where I could get it later on, I did not choose to pay the bank the money.

Q.—How did you come to lend when you were in that state, over \$10,000 in loans? In the first place, it was your wife's money, and in the next place you were utterly insolvent at the time, and yet we find you lending \$10,000.

A.—That was done without any knowledge of the bank.

Q.—I am not asking you that. How did you come to lend over \$10,000 when you were in this hopeless state, lending your wife's money?

A.—In the first place, Mr. Browning asked for it; and in the next place—

Q.—Did you lend everybody who asked for it?

A.—No.

Q.—Did you take any security for it?

A.—Mr. Browning's note.

Q.—Where is it?

A.—Hamilton.

Q.—Has it been paid?

A.—Yes.

Q.—Since?

A.—Yes.

Q.—When?

A.—When Browning, Harris & Company were formed, Mr. Browning borrowed \$5,000, and repaid it so that he could put it back into the business.

Q.—You mean that this \$5,000 was paid so that Mr. Browning could go into business with you?

A.—When Mr. Northey went out of the business I needed more capital and Mr. Browning made an arrangement to repay it to me.

Q.—Have you got it back from Mr. Caldwell?

A.—No, sir.

Q.—Did you get anything for it?

A.—No, sir.

Q.—Have you got any interest on it?

A.—Not a cent.

Q.—Have you asked for it?

A.—Yes, I have.

Q.—Have not been able to get anything?

A.—No.

Q.—What about the other \$1,000 you lent?

A.—That was a present to my father. He was buying a house at the time.

Q.—Whose name did you buy this house in?

A.—My wife's name.

MR. CURRIE: Who have you talked this matter all over with since you were here last? Did you talk it over with Cuddy?

A.—Inspector Cuddy has seen me, sir.

Q.—Did you talk it over with your solicitor?

A.—No, sir.

Q.—Did you talk it over with Mr. Browning?

A.—I have discussed these things a good many times with Mr. Browning.

Q.—He used to be considered one of the smartest lawyers in the West?

A.—I think he still is.

Q.—You have been walking all over this thing, so as to be pretty well posted for to-night.

A.—I wanted to get as much available information as possible for the Committee.

Q.—Now, how much real information have you given the Committee to-night that they did not know before? As a matter of fact, you have not let loose anything, have you?

A.—I hope I have.

Q.—Anything that came near saying anything about, you kind of said, I don't know, or it might be, or possibly that is so. You are not definite on anything. Are you sure that you were in that firm at all, or was it or is it a nasty dream that you belonged to that firm of Browning, Harris & Company at all? Do you gamble, Mr. Harris?

A.—What on?

Q.—Do you gamble on stocks?

A.—I have bought stocks.

Q.—Do you throw the dice?

A.—I know how it is done.

Q.—Did you make any heavy losses at all along those lines? Do you sit in on a game?

A.—Do you mean a poker game or a crap game?

Q.—Yes?

A.—No, sir. I used to a good many years ago.

Q.—Do you do it still?

A.—No, sir.

Q.—None of those losses which you made were made in that way?

A.—No, sir.

Q.—How did you make all those losses that you had a list of here this afternoon? Do you play the ponies?

A.—No, sir.

Q.—Come on, then, tell us how?

A.—Oh, I might go down and see them.

Q.—How did you make those losses?

A.—I lost money on the stock exchange.

Q.—What stock exchange?

A.—Through dealers I was dealing with.

Q.—I thought these exchanges never lost anybody—I thought it was the bond brokers who lost money.

THE CHAIRMAN: The losses of stocks which he has here are the purchase of a car, \$2,500; golf stock, \$1,000.

A.—That is just the way it was put in.

Q.—The total losses on stocks are \$10,000, and the purchase of a car is the biggest item.

MR. CURRIE: What side did you take on the market when you made those losses—was it the long or the short side?

A.—I think it was the long, sir.

Q.—You lost \$10,000 on stocks?

A.—No, sir.

Q.—How much did you make, then?

A.—I did not make anything on stocks.

Q.—I am trying to get you definite on something. Tell us how much did you lose?

THE CHAIRMAN: Another thing about this statement is that when you were in this insolvent state and lending \$10,000, you put \$8,000 into one house property, and \$3,000 into a Lake Shore property.

A.—Those properties were bought by my wife, sir.

Q.—We asked you before adjournment to think over this matter, and before you go I want to put this up to you. You took \$10,000 of Mr. Biggs' money in stock in your company, didn't you?

A.—Morgan Dean, Harris & Mulveney, yes, sir.

Q.—When?

A.—June, 1920.

Q.—And in that fall the stock was transferred to you?

A.—Yes, sir.

Q.—Did you pay anything for it?

A.—No, sir.

Q.—But you had, as he tells us, an understanding that it was to be repaid?

A.—That it was to be repaid by me?

Q.—Yes?

A.—I do not remember anything about repayment.

Q.—Mr. Biggs tells us that there was an understanding that it was to be repaid.

MR. LETHBRIDGE: Mr. Chairman, Biggs did not say that, but he hoped he would get something.

THE CHAIRMAN: He also said that there was an understanding, but he said his hopes had gone glimmering lately.

A.—If Mr. Biggs ever gets any money out of that—

Q.—Was there not an understanding when you took his stock over in the fall that you were to recoup him for his losses.

A.—No, sir.

Q.—No promise of that kind?

A.—No, sir.

Q.—Mr. Biggs told us that there was an understanding that he was to be taken care of?

A.—Then Mr. Biggs' understanding and mine are entirely different.

Q.—You say that there was never any promise or understanding and that he was never lead to believe in any way that he was to be recouped for his losses.

A.—No, sir.

Q.—You took his stock and he was never given a cent.

A.—His stock was transferred to my name at his own request.

Q.—Why?

A.—The only reason I can advance for it is the fact that Morgan Dean, Harris & Mulveney were in such poor shape that there was almost the possibility, unless it could be averted, that they would be in liquidation. And Mr. Biggs, at that time, as I understand it, did not want his wife's name dragged through any liquidation.

Q.—And you say there was no promise, undertaking or hope of any kind on your part that he would ever be repaid?

A.—That is my distinct recollection.

Q.—And you have never made him a promise of any kind?

A.—No.

Q.—After you got into that state, you got this Government business, which enabled your various companies to make \$125,000 very rapidly. Had that anything to do with it?

A.—No, sir, nothing whatever.

Q.—That is pure luck, was it?

A.—Luck and business.

Q.—No connection with the loss Mr. Biggs had made.

A.—No, sir, none at all.

Q.—Just a coincidence?

HON. MR. PRICE: I would like to have Mr. Harris produce the other bank account in the morning.

A.—I do not know whether I can get it now. I motored over.

MR. CURRIE: Have you found Snider yet?

A.—I have not heard anything from him.

Q.—I thought he was coming up by easy stages?

A.—All I know of Mr. Snider is what I saw in the paper, that I heard he was coming home.

Q.—Has he communicated with you in any way?

A.—Not whatever.

Q.—He did not write and tell you that all the stuff you put up here was not true.

A.—I wrote Mr. Snider a letter to the address that was given me.

Q.—What address was that?

A.—At Miami, Florida, and sent him an affidavit to be made; but that letter was returned to me, not called for.

Q.—Did you know his people here in town?

A.—No, sir.

MR. BELANGER: In regard to those missing sheets, have you any knowledge whatever as to how they may have disappeared from the custody of the firms with which you are connected?

A.—Outside of pure carelessness, Mr. Belanger, I do not know.

Q.—You spoke about the stenographer. Is there any likelihood at all of the stenographers going through those loose sheets and extracting some of them? I can understand the accountants and bookkeepers?

A.—They would have free access to them to complete records for our purpose; but what they would do when they took them out, I do not know. They should put them right back where they were; but whether they would do that or not I cannot say.

Q.—Even supposing there was so much carelessness, would those sheets not be lying around, and in a particular form that those ledger and cash book sheets are, how could they possibly go out of the office? Would not those who meet with them return them to those in charge of the office?

A.—They should, unless there was a possible chance when our vaults were being cleaned out, loose leaves might have been taken and put away, filed with an elastic.

MR. CURRIE: This lady bookkeeper, is she available?

A.—Yes.

Q.—Do you think she would come down and give evidence? Did she say anything about being willing to come down and give some evidence for you?

A.—She would come if she was called.

Q.—Would she know about those transactions?

A.—I presume she would, sir.

THE CHAIRMAN: You will be here by 10.30 in the morning, will you?

A.—I will be glad to, but if you want that statement, it will take me a little longer. It will take fully an hour to do it, and I would have to be at the bank fully an hour.

HON. MR. PRICE: Why cannot you bring the bank book?

A.—It is Mrs. Harris's account, and she might have two or three books.

THE CHAIRMAN: Do you mean to tell us that Mrs. Harris' bank book has disappeared?

A.—I do not know that it has. You are asking for Mrs. Harris' personal account, but if I cannot get the pass book I will get the manager of the bank to give me the ledger sheets. I can get them at about nine o'clock in the morning and it will take us an hour and a half to motor over.

MR. CURRIE: Ask him to bring the ledger sheets?

A.—I would bring them in preference to the bank books, shall I?

HON. MR. PRICE: I do not think the bank will allow him to bring the bank sheets out. I do not see why Mr. Harris cannot get his bank book.

MR. CURRIE: Is it a savings account?

A.—A current account.

THE CHAIRMAN: Your wife does not throw things away too, does she?

A.—Those small books—

MR. CURRIE: Did you show the profits on the income return?

A.—They were shown as capital.

Q.—So that it would not show?

A.—It would show as capital, and then our total profits for the year.

THE CHAIRMAN: You had better bring the copy of your income return, too. You will have the triplicate of that income return.

MR. GRAVES: Will you adjourn to 10.30 in the morning?

THE CHAIRMAN: We will now adjourn till 10.30 to-morrow morning.

Public Accounts Committee adjourned at 11.05 P.M., Wednesday, April 16th, 1924, until Thursday, April 17th, 1924, at 10.30 A.M.

PUBLIC ACCOUNTS COMMITTEE

Thursday, April 17th, 1924.

Public Accounts Committee resumed its sittings at 10.30 A.M.

Mr. Finlayson, Chairman.

HON. MR. PRICE: Call Mr. Nash.

Albert Edward Nash, recalled.

HON. MR. PRICE: Mr. Nash, there was a resolution went through yesterday asking you to go to the Central Canada Loan & Savings Company and look over the account of Colonel Mason there? Did you do that during the intermission?

A.—Yes, I did that this morning.

Q.—Will you give a report to the Committee on what you found?

A.—I examined the deposits in the account of the late J. Cooper Mason in the Western Canada Loan & Savings Company, from the 1st January, 1919, until the 31st December, 1923, there being no further interest since that date. I think the late Colonel Mason died sometime in the summer of 1923.

Deposits in January, 1919, shows cash deposits consisting of hundred dollar bills, one deposit of ten one hundred dollar bills, and another deposit of six one hundred dollar bills. In June, 1919, deposits show, amongst some other deposits of cheques, one deposit consisting of eight one hundred dollar bills and one one thousand dollar bill.

In July and August there are no deposits over \$200. In October, 1919, there is a deposit of \$968.60, consisting of a cheque, firm of stock brokers in the city.

Q.—What date is that?

A.—9th October, 1919.

Q.—Were you able to trace that cheque?

A.—The cheque was a cheque of A. J. Pattison & Company. On the 31st October, there was a deposit of \$1,150, consisting of six one hundred dollar bills, two fifties, and a cheque for \$450.

On the 29th December, there was deposit of \$150, consisting of three fifty dollar bills. In 1920, on the 17th February, there was a deposit of \$4,000, consisting of four one thousand dollar bills. On the 4th May, a deposit of \$1,200, consisting of seventy-two ten dollar bills and twenty-four ten dollar bills.

On the 21st June, a deposit of three thousand dollars, which was a cheque. The records of the Central Canada Loan do not show what bank it was on, because they clear through their own bankers. It would be necessary to go to

their own bankers and search there their accounts and examine to find out what bank that cheque would be on.

In August and September there were small deposits, not more than \$500 of cheques; on the 21st September, a deposit of \$500, consisting of fifty ten dollar bills. On the 29th October, \$500, deposited consisting of ten fifty dollar bills; and another one on the 1st November of six fifty dollar bills.

On the 7th March, 1921, a deposit of \$800, which was a cheque. On the 4th April, 1921, a deposit of \$1,000, consisting of two five hundred dollar bills. On the 28th May, 1921, a deposit of \$2,100, consisting of one hundred twenty dollar bills, and one one hundred dollar bill. On the 30th June, 1921, there was a deposit of \$600, a cheque. On the 24th September, a deposit of \$1,700, consisting of four five hundred dollar bills, with \$300 cash deducted from the deposit. On the 30th November, the account which previously had been carried on as a trust account, marked no notice, was closed, and the balance of \$2,105.48 was transferred to J. Cooper Mason, and Power of Attorney given to R. M. Virtue to sign and endorse cheques.

I inquired the reason for the quotation "no notices" from the official of the Central Canada Loan & Savings Co., and he says it is not uncommon with clients through the country not to send notices of their balances. In some cases he says the reason is that they require the information to be kept confidential and they do not want any notices being sent to their offices.

MR. CURRIE: That is a monthly notice?

A.—A monthly notice of the balances.

I do not think the cheques in detail would be included.

On the 21st December, 1921, there was a deposit of one five hundred dollar bill. In July, 1922, there were three deposits of \$300, \$300 and \$200, all consisting of one hundred dollar bills. On the 31st September, 1922, there was a deposit of \$6,375, consisting of six one thousand dollar bills, three one hundred dollar bills, and some smaller bills.

There are no other deposits outside of what appear to be usual deposits of cheques. On the 28th February, 1923, there was a deposit of twenty-one fifty dollar bills, and cash deposits.

Q.—This \$9,000 cheque to Pattison's, has that any significance?

A.—\$900 from Pattison.

We understand from the records of the Home Bank that the late Colonel Mason was buying and selling bonds through certain brokerage houses in Toronto, of which Pattison was one.

HON. MR. PRICE: You have some other?

A.—There was also an account with the Central Canada Loan & Savings Company, called the Estate of the Late James Mason. James Mason, who was the father of Cooper Mason, I believe, died sometime in 1918; and the principal items in that account are as follows: On the 21st June, 1919, there was a deposit to that account of \$22,242.92. This was a cheque on some bank, which so far we have not traced, because we have to apply to the bankers of the Central Canada Loan Company before we can look into their records.

On the 10th November, 1919, there was a deposit of \$8,772.33, which was also a cheque. On the 20th November, 1919, there was a cheque issued on the account for \$24,862.55 payable to the Home Bank of Canada.

On the 29th November, 1919, there was a deposit of \$2,658.19, consisting of two cheques, one for \$2,652.19, and the other for \$6.00.

On the 6th December, 1919, there was a charge against this account of \$9,210.17, which was a cheque issued to Florence Mason.

Q.—That last cheque, \$9,210.17, on December 6th, 1919, to Florence Mason, and on November 29th, 1919, \$2,658.19.

MR. McKEOWN: When was that \$22,000 put into that account?

A.—In June, 1919.

MR. CURRIE: The account ceased in 1919?

A.—The account is still open, with a small balance.

Q.—There has been no other large payment since then?

A.—No.

HON. MR. PRICE: The cost payment for that was on November 20th, 1919. Are there any other accounts, Mr. Nash, which you could look into, which might throw light on any of these payments?

A.—Some two weeks ago, I examined the books of W. G. Mitchell & Company, the brokers with whom the late Colonel Mason had had considerable dealings with funds, and there were no payments made by him to Mitchell of any size. I also examined the books of the Pellatt firms and found no payments of any size to them.

Q.—Are there any items in this account which you are not clear on and on which you cannot give information.

A.—I think this account, sir, is pretty clear. It consists, as you see, and as I have read out, very largely of cash deposits of twenties, fifties and hundred dollar bills.

MR. WIDDIFIELD: That \$22,000 cheque in favor of James Mason, James Cooper Mason's father, deposited to James Mason Senior's credit—when was that?

A.—21st June, 1919.

MR. McKEOWN: When was that big cheque deposited to the Home Bank?

A.—The 20th November, 1919. It was issued from this account on that date?

Q.—How much was that?

A.—\$24,862.55.

Q.—And that was a \$24,000 cheque issued against the Mason Senior account in favour of the Home Bank?

A.—Yes.

Q.—And that was three days previous to the issue of the \$25,000 cheque in favour of Mr. Cooper Mason against the Home Bank?

A.—Three days previous to the cheque for \$25,000, drawn on Cooper Mason's S.C. account. That is right.

Q.—He put that \$24,000 odd to the credit of the Home Bank out of the Mason Senior account on the 20th November?

A.—Yes.

Q.—And issued a cheque in his own favour on the 23rd for \$25,000.

MR. WIDDIFIELD: The dates are not the same.

MR. McKEOWN: When did he deposit that?

A.—On the 20th November. The \$25,000 was in September.

MR. CURRIE: What significance is there in that briefly?

A.—I do not know of any significance.

Q.—In connection with those transactions which we have had before the Committee?

A.—In connection with the estate of James Mason account, I do not know of any significance in that. As I say, I have not gone behind the record of the Central Canada Loan & Savings Company, because I was not in a position to do that, without getting authority to go into the records of the Canadian Bank of Commerce, who are the bankers for the Central Canada Loan. But the only significance in the account of Cooper Mason in the Central Canada Loan & Savings Company is that the large number of deposits had been made in cash.

MR. KEMP: With regard to the cheque for \$24,000, from the late James Cooper Mason's estate in The Home Bank, could you tell us whether that was deposited in cash?

A.—I could not tell you that without looking up the Home Bank records. It would be a matter of not more than five minutes to look that up.

THE CHAIRMAN: Do you want to know that, Mr. Kemp? If so perhaps Mr. Nash could get his assistant to telephone down.

MR. WIDDIFIELD: Perhaps there might be something else which could be found out at the same time, if you wait a little while.

HON. MR. PRICE: Mr. Nash has some information which he might give you.

A.—I think the \$24,862.55 was the proceeds from the estate of James Mason which was paid to the Home Bank, when James Mason died. I think it was applied on a loan.

MR. McKEOWN: A loan from the Home Bank to the Mason estate?

A.—Yes.

Q.—And then this was being paid back to the Home Bank?

A.—I think that was the case, and I would be glad to look that up if you wish. We have not the files of the J. Mason estate here, if you want it looked up.

THE CHAIRMAN: You might telephone down.

MR. KEMP: If it is too much trouble, we would be satisfied.

HON. MR. PRICE: Is there anything else, now, Mr. Nash, about this that you want to say.

A.—I do not think so. I pointed out that there were bills deposited from time to time in that account.

THE CHAIRMAN: The only large deposit of legals is that \$6,000 item?

A.—That is the largest. There was on the 17th February, 1920, \$4,000. The other was on the 21st September, 1922.

MR. BELANGER: On or about the 23rd September, 1919, did you find in the Central Canada Loan & Savings Company any deposit by Mr. Mason?

A.—There was no deposit in this account from the 21st October, 1919, until the 29th December, 1919.

Q.—I am talking about September?

A.—There was none between the 21st October to the 29th December. The one previous to the 9th October was the 7th August.

Q.—So there is no deposit from Mr. Mason, who apparently got \$25,000 on the 23rd September, there is no deposit of any money in that company?

A.—There is no deposit of that date.

Q.—Now, Mr. Nash, you know as to the dates and the amounts withdrawn from the Home Bank by Mr. Mason, making up the \$42,400. Are they around the dates of those receipts by Mr. Mason, any of the deposits either to that company or anywhere else that you know of?

A.—Mr. Belanger, on the 25th January, 1919, \$1,800 was deposited to this account, which corresponds to the \$1,800 which formed part of the \$42,400.

Q.—That is in January, 1919?

A.—Yes.

Q.—Now, what is the next amount, Mr. Nash, making up the \$42,400?

A.—I will have to get the exhibit. On the 4th September, a cheque cashed for \$2,500.

Q.—Wasn't there one prior to that?

A.—On the 25th January, 1919, \$1,800, that appears as a deposit in the Central Canada Loan & Savings Company; on the 4th September, 1919, \$2,500.

Q.—And there is no deposit in the Central Canada or in any other place that Mr. Mason, to your knowledge, was depositing any money?

A.—No, I would not like to say that there was no deposit in September, or around about that time, but no deposit corresponding with that.

HON. MR. PRICE: No deposit in legals?

A.—Yes, I mean that corresponds with this item on the 12th September, 1919, \$12,000. There is no deposit.

Q.—There is no deposit from Mr. Mason to show that Mr. Mason may have taken that out of the Home Bank and deposited it somewhere else?

A.—No. On the 23rd September, \$25,000, is the same thing.

MR. CURRIE: There is no similar deposit of any amount of money in Mason's account after that.

A.—On the 15th October, \$1,000. On the 21st October, in the Central Canada Loan & Savings Company, Mason deposited six one hundred dollar bills and two fifty dollar bills; and the last was a cheque to the Minister of Finance to pay for some Victory Bonds.

MR. BELANGER: It would not appear, unless Mr. Mason kept it himself personally, in cash, that they went to any of his accounts where he was depositing cash.

A.—Not the accounts which have come to our notice.

MR. CURRIE: From your knowledge of banking business, there was nothing to prevent Mr. Mason taking these legals and putting them in his safety deposit box and keeping them, if he wanted them?

A.—No.

HON. MR. PRICE: If Mr. Mason was buying stocks on a large scale, he could turn these legals in to his broker?

A.—Yes.

Q.—That applies to all legals, no matter when drawn?

A.—Yes, sir.

MR. SINCLAIR: I suppose, in other words, he could do anything he liked with them.

THE CHAIRMAN: Yes.

HON. MR. PRICE: Was he speculating on a large scale?

A.—Yes.

Q.—I suppose you would have to go through those accounts to ascertain?

A.—Yes, it would take an extended examination.

MR. CURRIE: You have not examined the broker's books, whom he was speculating with at that time?

A.—We examined the books of Mitchell & Company and Pellatt, to see if any large payments had been made to them in cash.

Q.—To margin up.

A.—Whether they had received any large amounts of money?

MR. BELANGER: Around those dates, did you find that the brokers

with whom he was dealing with at that time had received any amounts corresponding to the amounts making up \$42,400?

A.—No.

THE CHAIRMAN: During that period, when that \$42,000 was being withdrawn from the Home Bank, he was speculating, you say, in securities, all the summer.

A.—Oh, yes, he speculated, I think I might say, up to the time of his death.

Q.—So that it would have been easily possible to use the legals for the purchase of bonds or anything else.

A.—Oh, yes, quite possible.

MR. RANKIN: So the only item, Mr. Nash, that you found a record of was the \$1,800 item, that was drawn in the way of a cheque and was deposited in the Central Canada.

A.—That has been definitely traced, yes.

Q.—Who was that cheque made out to?

A.—The Central Canada Loan & Savings Company. I think the cheque, which was in as an Exhibit here, says that it was payable to the Central Canada Loan & Savings.

THE CHAIRMAN: Yes, that is in as an exhibit.

Is there anything else which anybody wants from Mr. Nash? Mr. Nash will be here. As soon as his assistant gives him that information for which Mr. Kemp was asking, he will let you have it.

MR. SINCLAIR: If Mr. Nash will put in that paper from which he was reading.

A.—I will have it typewritten.

THE CHAIRMAN: In the meantime, we had better mark this as an exhibit. (Statement re Central Canada, marked Exhibit 196.)

HON. MR. PRICE: Mr. Chairman, Mr. Harris rang up this morning about 10.15, just before I came in to the Committee, and he was at the Bank in Hamilton; and I spoke to the bank manager who said he was making out a statement of the trading account of Mrs. Harris extending over the period, and it would take, he said, probably an hour and a half to get it made out. They had been working on it then for some time. I told him to complete the 1921 and the 1922 items and let us have those first, there being nothing, apparently, in the 1920 or the 1923 that we were very particular about, and that he could complete those years later; because I was anxious to get the matter before the Committee.

So Mr. Harris will bring that over and probably reach here about one o'clock. That is about the earliest he could be here. I did not see that there was any use of having him here if he did not have the statement of his account. I would like, in the meantime, though, to put Mr. Nash in the box to show just what action he took when he was over there concerning this account and what questions he asked Mr. Harris.

MR. SINCLAIR: Mr. Chairman, just a minute. I would suggest that when the clerk is making a copy of the evidence of Mr. Harris that an extra copy be made for Harris so that he can see what a human being can say in the witness box; just to let him see how it worked out.

Albert Edward Nash, recalled.

HON. MR. PRICE: Mr. Nash, when you were giving evidence yesterday, I do not think we touched to any great extent Mrs. Harris' account. Will

you tell the Committee what steps you took when you were over there to investigate Mrs. Harris' account?

A.—Well, sir, I told Harris that he should produce to us all his personal accounts as well as the accounts of the various firms; and he said he would do that. And we got from his bank copies of his personal account. We had to wait for some considerable time for them to be made out; and then seeing the transactions in Mrs. Harris' account I asked him if that account had anything to do with the firm, and I do not remember what he said, but I gathered from him that it was a personal account of his wife's. I asked him if he had the cheques, and he said the cheques were never kept, that he had no cheques on that account. He corroborated that statement to me last night before he left for Hamilton, when I told him that if he was bringing Mrs. Harris' account to-day he should bring the cheques, and he said, Oh, I have no cheques, there may be a dozen in existence but I doubt if there are that many. It seemed to me rather useless then to obtain a copy of Mrs. Harris' account from the bank unless we got the vouchers or the authority to examine the deposit slips; and I had not that authority.

Q.—Was he able to produce any cheques from Mrs. Harris?

A.—He did not produce any to us. I would like to explain to the Committee, for those who may not be quite clear, that the copy of a bank account as it appears in the books of a bank is very little use unless you get the information behind the deposits and the deposits; and the bank will not allow you to see the copies of the deposit slips unless you get a definite order directing them to do that.

MR. CURRIE: The next time we send you, we will give you authority to do anything except hang them.

MEMBER: Why exclude that?

MR. CLARKE: They had more than one bank account, hadn't they?

A.—Oh, yes.

HON. MR. PRICE: I would suggest that the Committee give Mr. Nash the power to look at the deposit slips and also look at the statement produced by Mr. Harris, and that a copy of his report be handed to the Attorney-General so that he will have all those facts before him, because Mr. Harris' evidence and everything connected with it seems very extraordinary.

THE CHAIRMAN: You have heard the suggestion of the Treasurer. Mr. Nash's evidence all through has been very, very helpful to the Committee, and I think he has the confidence of the whole Committee. If he then, in this case, just perhaps makes a report in duplicate of what he finds, one copy of the report can subsequently be attached to our report to the house and the other handed to the Attorney-General.

MR. BELFORD: I move that the auditors be instructed to investigate the account.

MR. CURRIE: I second it.

THE CHAIRMAN: It is moved by Mr. Belford and seconded by Mr. Currie that Messrs. Clarkson & Company be instructed and empowered to examine the bank accounts and make all necessary searches in the banks for the purpose of verifying the deposit slips. We will make that general.

MR. CLARKE: Maybe I am dense, Mr. Chairman, and do not really appreciate what is going on; but the fact is what I want to suggest to my friend here, whom we call the Financial Critic, that your witness, Harris, I do not think gave what I would call a good full evidence, if I may use the term. What

I mean is that he was not loaded up for every question he was asked, that is he did not answer it. But the point I am getting at is, supposing it were myself and that I knew that the Government, whether Grit or Tory or U.F.O. of the Province of Ontario was prepared to pay a hundred cents on the dollar for certain bonds and I have gone out and bought them for 85 or 90—I do not care what it is—if I go in and cash them at par, am I a criminal for doing that?

HON. MR. PRICE: No, that is all right.

MR. SINCLAIR: You had better ask Colonel Currie, he is the lawyer.

MR. CLARKE: Colonel Currie has already had sixty per cent. of the time of this Committee.

COLONEL CURRIE: Call it seventy-five per cent., I do not make long speeches after dinner, as you do.

MR. CLARKE: I have watched this very carefully. I am not trying to favour Harris, because I never saw him before I saw him before this Committee; but, Mr. Chairman and Provincial Treasurer, why should not Harris or anybody else go out and buy bonds if they knew they could sell them at a certain price to make a profit. I am saying this to you because you are as good a friend as I have in the house, and you might go my bail if I was in an unfortunate position. There is an impression, I think, with the members of the Committee that this man has split with somebody else. Maybe he has—I do not know; we have not brought it out; but as a business proposition why should not Harris go out and buy these bonds and come back and sell them to the Province, just the same as he would sell to you or to me, or to any private party?

HON. MR. PRICE: I think perhaps he has the right. But there is this about it, that the investigation started on the peculiarity of the Provincial Securities Company and Snider, and that attracted the attention of the Department, then it was brought here, and the evidence given here; and I think you will agree with me that Harris' evidence was not satisfactory and he did not clear it up in a clean way. If he had stated, Yes, I spent this money in this and that way, and had given us a statement, it would have ended it; but it had made it rather difficult for us to rise without trying to get all the information. And when Mr. Nash was sent to Hamilton with the idea of getting all the information, that account should have been gone into, but apparently was not disclosed, or disclosed in a kind of a half way. So that all we want really to do is to find out what was in that account, if it will throw any light upon it. Probably it will not throw any light at all.

MR. CLARKE: I quite agree in a way with that. How long were you in Hamilton, Mr. Nash?

MR. NASH: Two days, and several days in our own office with Harris.

Q.—How long were you in Hamilton with Harris?

A.—Two days in the city of Hamilton.

Q.—I have no brief for Mr. Harris and do not suppose I will ever see him again. Did he not tell you that they had an old discard vault where all the old books were?

A.—Yes.

Q.—Did you find that correct?

A.—Yes.

Q.—Did they have another vault?

A.—They had two vaults in the office.

Q.—They had one vault, what I might call a sovereign, where they kept their good papers?

A.—A great many of the old records appeared to be kept—

Q.—Of the old partnerships, you mean?

A.—It was an old vault that did not shut very well; it was not locked; I think the door just closed and the handle turned on it.

We went into those vaults and took off our coats and dug right down. I hardly ever saw a worse condition in a vault. It was covered with dust.

Q.—It was like an old closet with old clothes?

A.—We dragged everything out of the vault and looked for everything we possibly could.

Q.—That was the old vault?

A.—And in the other one too, both vaults.

Q.—I never saw the man before, and probably never will see him again, but I do not see any criminal act in buying the bonds. If I knew I could come up and sell them to you, as Treasurer of this Province, at a hundred cents on the dollar and if I knew I could go out and buy them at eighty-five or eighty-six cents on the dollar, I would buy all I could buy.

MR. PRICE: That would just be bad business on the part of the Province to buy them at that price.

MR. CLARKE: Bad business on the part of the Government? I do not say that. I do not know that. That has never been established yet, whether it was good business to buy those bonds at a hundred cents on the dollar or not. Mr. Nash has never established that yet.

MR. CURRIE: You will have a brief soon.

MR. CLARKE: I have no brief at all. You quit barking. It has never been established up to the present time, to my mind, that it was not good business. Mr. McGarry gave his evidence, right there where Mr. Nash is sitting now, and he said it was good business to buy those bonds.

HON. MR. PRICE: If he got them at a right price.

MR. CLARKE: No, he did not say that. I would not tell you a thing I do not believe. He said it was good business to go out and buy these bonds. Here is my point, if I have a point at all, and if I have not a point my friend will make one, that there has been shown nothing up to date irregular about Mr. Harris, Mr. Smith or Mr. Jones going out and buying bonds, if they knew where they were to be had, and bringing them to sell them at a profit.

The only question was whether he was in league with somebody in the Treasury Department where they were getting a profit and conspiring. Outside of that, you have not a point; and you have not established a point yet.

MR. CURRIE: The witness is here to be examined. You are rehearsing your speech for the summer.

MR. CLARKE: Colonel Currie, I have not taken fifteen minutes to your hour in this Committee. In other words, you think you are constituted the whole Committee and that you are the whole brains of the Committee. If you are, God help the Committee.

MR. CURRIE: I think you are a nuisance.

MR. CLARKE: I am not through.

COLONEL PRICE: Do you think it would be quite fair to have Mr. Nash look into this account?

MR. CLARKE: For what purpose?

HON. MR. PRICE: To see if we can trace any of these items, where can we find no evidence or where the sheets are missing? For instance, we have got a lot of cash book sheets missing, and we have a lot of ledger entries missing, and

we have accounts missing. The only thing we have not looked at was this account where Mr. Harris was trading in his wife's name, and where he handled the accounts. Do you think it would be unfair to do that?

MR. CLARKE: If your object is to connect Harris with some what I might call a split in the deal with somebody in the Department, all right, outside of that, I will leave it to you, is it not a purely business proposition?

HON. MR. PRICE: All that we want to see is the evidence before us satisfactory as to where the moneys, the profit went.

MR. CLARKE: What is the object in doing what you say?

HON. MR. PRICE: I am sure the Committee does not feel that it is cleared up.

MR. McKEOWN: To see if there was a split.

HON. MR. PRICE: That is the only object, to find out even if it was large, if he made a business deal with the Province and if he got it himself and kept it himself, the Province would not have anything to say about it.

MR. CLARKE: You mean to say if it was straight and above board?

HON. MR. PRICE: Yes, as there is suspicion cast upon it, we want to know where it went.

MR. CLARKE: If it was straight business with the Government, that would be all right.

HON. MR. PRICE: Do you want to ask Mr. Nash any questions?

MR. CLARKE: I am wanting to know if the Treasurer thinks I am asking what is unreasonable. My point is, as a business proposition, was this man Harris perfectly right in doing business? Is that your view?

HON. MR. PRICE: I do not agree with you on that, because it has all the earmarks of suspicion. I never saw a deal that has any more earmarks than the Provincial Securities and the Snider deal.

MR. CLARKE: That is all right, if you can bring anything back to the Department, any share or any piece of it.

HON. MR. PRICE: Would you say that the Committee should stop now and not get that special account?

MR. CLARKE: I am satisfied that the Committee should get all they like; but I want to establish this point. The man was practically locked up with Mr. Cuddy as a criminal. Mr. Treasurer, if that man is a criminal, eighty per cent. of the people in this country are criminals on a business deal. I do not know what he did with his partners. If I could go out and buy something to-day at eighty cents on the dollar and sell it at a hundred cents on the dollar, I would do it all the time.

THE CHAIRMAN: But that is not what he did.

MR. RANKIN: Mr. Chairman.

THE CHAIRMAN: Mr. Rankin.

MR. CLARKE: I object, Mr. Chairman. I am not through. When I get through somebody else can speak.

THE CHAIRMAN: We are supposed to be examining this witness and you ramble on and start going again.

MR. CLARKE: You have been a most important figure, a spectacular figure in this game. But I am not through at all. I have never objected at all and I am not going to be objected to just because I get up and talk for five or ten minutes. I have not taken the time of the Committee for twenty-five minutes since the Committee opened, and individual men here have talked for an hour.

THE CHAIRMAN: But I do not know, Mr. Clarke, what you are talking about.

MR. CLARKE: At present I am talking about the fact that you are trying to shut me off. My point is that there is nothing irregular about the evidence of Harris excepting that he is mixed up. If there has been any sharing up with somebody in the Department, that is what you want to bring here. If you can do that, bring the evidence, and I am willing that my friend here shall go on for the next two weeks, if he can bring back any evidence about that. That is all the irregular thing there can be about it; but nevertheless, you would think that this man had been doing something wrong, if you were to judge from the way he is being treated.

MR. RANKIN: In view of what the Provincial Treasurer has mentioned, that Mr. Harris will be here at one o'clock, I would suggest, as one of the Committee, that in order to facilitate things, we should name a sub-committee with the Chairman, the Treasurer and Mr. Sinclair—all parties—to take, if necessary, the documents which he produces as evidence and accompany it with a report so that we may get somewhere and get through.

THE CHAIRMAN: Is not the Treasurer's suggestion perhaps a better one, that Mr. Nash go over not only all that Mr. Harris will produce this morning but also have power to make these other examinations, and then have this report come in?

MR. RANKIN: And then the Committee won't have to meet Mr. Harris at one o'clock. That is better.

MR. CURRIE: I do not want to object, but I wanted very much to investigate Mr. Ridout. He appeared before a sub-committee and made his report and got away with it. I have an envelope here with a regular brief to question him on; but he got away. Where it showed that this man got about \$200,000 out of the premium business in a few months; I wanted to go up that line and find out what he did with those premiums; but he slipped away without it. I am making no objection. If this thing is carried out according to the expressed desire of the Chairman and Mr. Nash goes into the figures and appends it to the report of the Committee, I am prepared to accept that; but I do not want anybody to escape this Committee.

THE CHAIRMAN: It has been moved by Col. Rankin, seconded by Col. Currie, that Mr. Nash in addition to the powers given before will meet Mr. Harris and go into it and make a report to the Committee and the Attorney-General.

MR. BELANGER: When would that report come?

MR. NASH: It would not be possible to do it before Easter. It will be carried on with great dispatch, and with the same staff.

MR. BELANGER: I do not know whether I am in order, but Mr. Mathews' bank account, has that been gone into by the Clarkson firm from his appointment here in the Provincial Civil Service up to the present day?

THE CHAIRMAN: Mr. Belanger, will you hold that until we dispose of this other item first?

(The motion having been put to the Committee was carried, and was so declared by the Chairman.)

HON. MR. PRICE: I would like to say, Mr. Belanger, that, of course, Mr. Mathews' case is in the hands of the Crown, and they are making the investigations and are going into all those things, going into his bank accounts

and everything. I do not know that we could facilitate that any more than is already being done.

MR. CURRIE: Have they got power?

HON. MR. PRICE: Yes. When a charge is laid against a man, they have power to get all the evidence in.

MR. BELANGER: Mr. Mathews is out of the Province and we have been trying to get him before the Committee and cannot get him before the Committee. I understand from various motions which have been put before the Committee here that we have power to ask the Clarkson firm should go into these bank accounts and make whatever report they see fit. I would like my motion.

HON. MR. PRICE: That is all right. I just wanted to tell you what has been done.

MR. BELANGER: Let us say from 1914 up to the present time, the bank accounts of Mr. Mathews.

THE CHAIRMAN: Of Charles A. Mathews.

MR. CURRIE: Wouldn't that be a duplication of the work of the Crown?

MR. BELANGER: I do not know. We have nothing here to tell us that.

THE CHAIRMAN: It is moved by Mr. Belanger, seconded by Mr. Widdifield, that Messrs. Clarkson and Company be authorized to investigate the account of Charles A. Mathews with the Province, and with all banks, chartered banks or loan companies with which it might appear that he has had any account, including all documents.

MR. CLARKE: I would suggest to Mr. Belanger that he add to that motion that whenever we can secure Mr. Mathews' attendance that we call a special meeting of the Committee and hear his evidence.

THE CHAIRMAN: You can make that afterwards. Mr. Belanger's motion has a definite object. I now put the motion.

(The motion having been put to the meeting was carried, and was so declared by the Chairman.)

THE CHAIRMAN: If you will see the clerk afterwards, Mr. Belanger, we will try and get that into shape like you want it.

MR. NASH (resumed): In regard to the cheques: The \$24,862.55 which was charged to Mr. Mason's account on the 19th November in the Central Canada Loan and Savings Company, was deposited in the Home Bank on the 19th November, the proceeds being credited to five accounts, Col. Mason, re partnership credits; Col. Mason, building account; Col. Mason, stable account; James Mason, current account; and Mary Mason.

MR. CURRIE: Was James Mason, Sr., dead then?

HON. MR. PRICE: Yes.

MR. NASH: The cheque was drawn on the estate of James Mason.

MR. CLARKE: Would Mr. Nash kindly go over that cheque of November 19th, 1919, again?

A.—On the 19th November, 1919, there was a cheque drawn on the account called the estate of the late James Mason in the Central Canada Loan and Savings Company; and that cheque was deposited in the Home Bank on the same day, and credited to these five accounts.

Q.—Who deposited the cheque?

A.—James Mason was dead, and there was an account for the estate of the late James Mason.

Q.—They are both dead now?

A.—Yes. James Mason's son was the general manager of the bank. In November, 1919, \$24,000 odd money was withdrawn from the bank account of the estate of the late James Mason and deposited in the Home Bank to the credit of various current accounts of the late James Mason and his family.

Q.—You mean drawn out of the Central Canada Loan and deposited in the Home Bank?

A.—Yes.

Q.—What does that infer?

A.—It looks as if the estate was paying some funds to certain members of the family.

Q.—In other words just transferring funds?

A.—Yes.

THE CHAIRMAN: Is there anything else from Mr. Nash?

MR. CURRIE: I think we all approve of Mr. Nash.

Now, Mr. Chairman, about the report. I think the Committee had better leave the matter of the preparation of the report to you, and, if you deem it advisable, you may call us back again this afternoon. I do not think there would be anything controversial in it.

THE CHAIRMAN: After last night's experience, I am not anxious to have anything left to me.

MR. CURRIE: I think that is the customary thing, and I will make that motion.

MR. SINCLAIR: What is the time honoured custom?

HON. MR. PRICE: The real powers of the Committee are simply to report the evidence and the facts to the House; and then the House deals with it. Of course the evidence is very voluminous. I do not know whether Hon. Members have been following it except in the Committee. Generally speaking the Committee makes just a short report. The only time we varied that, I think, was in the Lennox charges, when there was a specific finding. I do not think the Committee has any power to make a specific finding; they have power to report to the House, and it is for the House to deal with it.

MR. CURRIE: They would report and recommend.

MR. DOHERTY: How would you do that, Mr. Chairman? The evidence is very voluminous. You want to make that report perfectly clear. Would your idea be to simply refer to the evidence, or to quote from the evidence, or how can you do that?

HON. MR. PRICE: What I thought of doing, if it meets with the approval of the Committee, is that we would report that we had investigated certain items; that we had heard the evidence of certain witnesses. Yesterday—I do not think you were here—Col. Currie made a motion to the effect that the Committee recommend that any official holding an office who had been found participating in any fund be recommended to be dismissed from the service. The Committee recommended that to be put in the report.

MR. DOHERTY: You do not name the man.

THE CHAIRMAN: No. There are instructions as to that. Then there is another thing which I think we should report on. Two witnesses, one evening, admitted committing perjury. I feel we should mention that in the report. We cannot take any action on it, but I think there should be a statement as to it. To use one of the witnesses' own words, to use what he said a half an hour ago was a "fabrication." I, as Chairman, think if the Committee is to meet again and be self-respecting, we should report that.

MR. BELANGER: Would you have time to prepare the report on the lines you suggest and have the Committee meet this afternoon to hear it.

THE CHAIRMAN: And then there are one or two other items I would like to get the Committee's view on. There are several matters, for instance the Ridout matter, that we know the Committee are pretty well agreed, from Mr. Ridout's statement, that certain issue of securities was sold and that that netted a profit to him, as he said, of a hundred thousand dollars. If you want to report that, a brief statement of that might be made. Then following that are the Harris transactions, including the Provincial Securities, which resulted in a profit of \$125,000. The Committee has Mr. Clarkson's figures of yesterday, and Mr. Harris agrees with it, and there is no dispute about that.

Then as to the Hart transaction, the \$5,000,000 Treasury notes; we know the result of that.

Now as to the Jarvis transactions, we have had a statement filed. I think the most we can say is that the result of it was that the Chief Clerk of the Department has filed a statement, and we will have to submit that without any evidence, because we have not heard the parties and cannot go into the details of it or make any explicit findings.

MR. DOHERTY: The statement showing what?

THE CHAIRMAN: Mr. Douglas made a statement showing the securities purchased by the Province through the Jarvis firm.

MR. DOHERTY: Purchased by the Province, not by Jarvis?

THE CHAIRMAN: The way it strikes me as to Jarvis, it is incomplete. We have heard Mr. Pepall but have not heard Mr. Jarvis, Senior or Junior. I thought we might report and say that the Chief Clerk of the Department has filed a statement which he says covers the transactions of the Province through the Jarvis firm, and let it go at that.

MR. DOHERTY: The Committee must know that it made no attempt whatever to get information from Mr. Jarvis.

THE CHAIRMAN: We have. We cannot subpoena him.

MR. DOHERTY: Did you ask Mr. Jarvis, Jr., to be here?

THE CHAIRMAN: He has been away too. He has not been here since we have wanted him. We asked them who we could get, and the only person who was available was Mr. Pepall, and he comes along and says that those accounts are kept somewhere else.

MR. DOHERTY: Because you must realize that that statement, Mr. Douglas' statement, if it is taken seriously is tremendously misleading; and we have no desire as a Committee to do that. Mr. Douglas just carried out his instructions.

THE CHAIRMAN: All I think we could say in the report as to that, Mr. Doherty, is that we had the only witness—I did not feel like going that far, but that those matters were brought up before the Committee but we were unable to get the attendance of either member of the Jarvis firm, and the only one we could get knew nothing about it.

MR. DOHERTY: I think, Mr. Chairman, if you limit yourself to the facts and eliminate opinions, it will be satisfactory.

THE CHAIRMAN: I do not want any opinions, I think all during the meetings we have been endeavouring to cut out "opinions" as much as possible. I did not want to confine anybody to the strict rules of evidence.

HON. MR. PRICE: I think it would be rather unfortunate if Mr. Doherty's statement on the Jarvis matter were to be taken as entirely correct, because

the evidence showed that there was no account kept of that large deal in this country, that the account was kept with banking houses in London. This Committee did not know and nobody knew that until after we got into the Jarvis matter; and we had a man up here who could have had the books produced, and he told us that there was no account there; not a cent went to the Jarvis Company here. He said Mr. Jarvis knew about it.

MR. CLARKE: Why didn't you subpoena Mr. Jarvis?

HON. MR. PRICE: He said Mr. Jarvis was in the Old Country. As far as the Committee is concerned, Æmilius Jarvis, Sr., is in the Old Country. The banking was done there and the money was there, and did not come through here, except that \$4,000 item. It is unfair to say that the Committee has not taken all means they possibly could to get at that; and they have filed all the evidence that was available; and I think the Government will have to take that into consideration, because it looks like a peculiar deal.

MR. CURRIE: I notice that Mr. Pepall in an interview in California states he is an American citizen and defies anybody to take him back.

MR. DOHERTY: I think it should be mentioned too, that all the profits on the \$4,000,000 loan were made by the Home Bank.

THE CHAIRMAN: Yes, mention will have to be made of that.

As far as the Jarvis matter is concerned, we have not any complete evidence. There is a very delicate legal position there.

MR. CURRIE: I would suggest, in connection with the Pepall matter, and Mathews, that the Committee recommend that the Government notify the Department of Immigration in the United States, so that these men can be fired out of the United States as undesirables, if they are caught.

MR. CLARKE: Bring them over here to give evidence.

HON. MR. PRICE: I think probably Mr. Biggs should be allowed an opportunity to make any statement he desires. He stated he had some papers to bring before the Committee, and I do not think it would be fair to close without giving him an opportunity to appear before us.

THE CHAIRMAN: Gentlemen, Mr. Belanger made a suggestion a little while ago that seems to me to be the solution of the difficulty we are in on account of the lateness of the hour, that is, that we try to draft a report and meet here again at, say, half-past two and go over it. I do not want to take the responsibility of preparing a report.

MR. CURRIE: I am quite sure that the Chairman is quite capable of it.

MR. RANKIN: That Mr. Sinclair, Mr. Doherty and yourself, Mr. Chairman, attend to it.

THE CHAIRMAN: Don't you think that is the best procedure, Mr. Doherty? It is agreed, then, that we try and have the report ready for 2.30 and meet here at 2.30 sharp.

Now, if Mr. Biggs has anything to bring before the Committee.

F. C. Biggs, recalled.

I left here last evening about half-past seven, but unfortunately there was a wreck on the railway near Bronte and I did not get home until late, and started back here at seven o'clock. When I got home I went over some files and through the correspondence and receipts for the balance, of the money that bought the original stock in Morgan Dean, Harris & Mulveney. If you read it over, I do not think it is of any particular value. I hand them to your Committee. This letter of September 2nd, 1920, addressed to myself, advises

me that the note for \$3,500 in favour of Morgan Dean, Harris & Mulveney, Limited, falls due on the 4th, with interest amounting to \$64.43, making a total of \$3,564.43. Then the indebtedness shown on this is receipted there by the firm.

Speaking of bank books, I tried last evening to dig up what I could. I am going to say that I do not think they are lost at all. They can be procured, but when you get bank books of this size, this one having six or seven pages, they probably last a man four or five months; and over several years you have quite an accumulation of them. This is my present one that brings it up to date. I have the one immediately previous to that, and it dates back from February 7th to August 25th, 1923. There is only one large item—I do not know whether there is anything which will interest your Committee or not. There is one credit there of \$5,000 and that credit is \$5,000 borrowed from the bank, and then you will see it is debited out at \$5,500. I may say that was to purchase some stock in a company in London, Ontario, and if you follow it a little later you will see that that \$5,505 came to be, I think, \$6,585.

I have not yet been able to get the bank books prior to that. I think they can all be found.

MR. CLARKE: Anyway, you are willing to leave those books here?

A.—All but the present one. If they want to look it over. And a cheque for a couple of thousand dollars. If they want to look at them.

HON. MR. PRICE: You have not brought anything, Mr. Biggs, for previous years?

A.—No, my time was so limited I had not time to get anything further.

Q.—You have not brought anything which shows the trading items of 1921 or 1922?

A.—No, I have not had time to dig them up. I do not think I have any trading items, because all I would have would be a statement of any bonds that were bought, and the credit as they were paid for, or other bonds turned in on them. Once the transaction is complete and the bonds delivered, there is no object, as I know of, of having a statement of it. The bonds would be in my possession.

Q.—You see, in the Browning Harris books there was missing the 1922 sheets of your account. We have not any record there of those tradings, although it shows, a balance carried forward, that you did have quite extensive trading. What the Committee wants to get is some record of those tradings, seeing that you had some connection with this company and made such large profits.

A.—I had not any connection with that company, sir.

Q.—At the beginning?

A.—No, not with that company. I told the Committee yesterday, Col. Price, that I would do everything that is possible from my records, to establish any statement I had made, but I also explained yesterday that in my own business I was the sole partner, and I had no particular reason to keep any extensive set of books. I never had any books in my life, other than to keep receipts of payments, in connection with my hired labour as the payments were made to them, as they were kept by the year.

MR. CLARKE: I thought there was some statement yesterday from somebody of how you paid for that \$10,000 of stock?

A.—That is covered this morning.

Q.—In other words, you have showed how you paid for that \$10,000 of stock.

A.—Yes, that is covered this morning.

MR. CURRIE: Didn't you keep track of your bonds, so that you could know what they cost you if you wanted to sell them again?

A.—No, only from memory.

Q.—You kept track of them all the time in your head?

A.—All the bonds I had were quite easy to keep track of.

Q.—Now let us know this. A friend of mine told me that he saw you in Detroit a short time ago. Is that right?

A.—Yes.

Q.—Who were you talking to there? Did you see Mathews there?

A.—No. I have not seen Mr. Mathews since the beginning of the session. I met him in the corridor one day.

Q.—You were not talking to him in Detroit?

A.—Why, no.

Q.—My information is that you were.

A.—Why don't you get after the man who shadowed me in Detroit? He will tell you.

Q.—Was there a man shadowed you?

A.—Yes, and still shadows me. I offered him last night at the station, when I was going out, to give him a ride out from the station and save the Government some money.

Q.—You say you did not see Mathews in Detroit?

A.—No, sir, I did not.

Q.—And when I am informed that you did see Mathews, it is not right?

A.—It is an absolute lie.

Q.—Who did you see there—did you see Mason?

A.—I saw my dead aunt.

Q.—Did you see Mason?

A.—No. I would not know Mason, Col. Currie, if I saw him. I never met Mason.

Q.—You know Mathews, though?

A.—I know Mathews.

MR. CLARKE: But you say you did not see him in Detroit?

A.—I have not seen Matthews since early in the session.

MR. CLARKE: The Colonel had a dream last night and thought somebody said you saw him.

MR. CURRIE: Don't pay any attention to him, Mr. Biggs, he is not responsible.

MR. CLARKE: Col. Currie, who is the man who told you Mr. Biggs saw Mr. Mathews?

MR. CURRIE: It is none of your business.

THE WITNESS: I would like to explain to Col. Currie. I went up to Detroit on the International Limited on Wednesday evening. This train does not stop in Hamilton but goes to the Junction, and I had my wife proceed to Brantford and take the train there. We arrived in Windsor at about 12.15 and went up to the Prince Edward—I think that is the name of the hotel—and were there until the next afternoon when we went over to Detroit to the funeral, accompanied by friends. Now, they can produce any evidence as to whether I saw Mathews, because they were continuously with me. The next day I

was around Windsor until in the afternoon, accompanied by Mr. C. E. Kitchener, of Brantford, who will corroborate what I say, and we went across about four o'clock, and came back about 4.30. We met some people in the Ford building on business, Mr. Peabody. I was over there about thirty to forty-five minutes on the Friday. And on Saturday we came home and got off at Dundas; and the man following me came on to Toronto.

Q.—He did not go into the office in the Ford building to see who you were talking to, did he?

A.—I do not know.

Q.—Now, you think you have told us everything in connection with this Peter Smith deal that you know, Mr. Biggs?

A.—Which Peter Smith deal?

Q.—About the trouble with the Treasury Department—these bonds?

A.—I do not know anything about the Treasury Department transaction in detail. But I have no desire whatever, as a member of the late Government, to side-step the fact that certain Orders-in-Council were passed for the purchase of these bonds.

The recommendation for the Order-in-Council would not be signed by myself; nor I do not think the records will show that I signed any Order-in-Council. I do not think I ever signed an Order-in-Council while I was in the Government.

Q.—You would be put down as being present, the Clerk signs the orders?

A.—The Premier signs the orders.

Q.—The clerk signs the recommendation?

A.—The Minister signs the recommendation.

Q.—You were a pretty fair business man. Did you think he was paying too much for those securities?

A.—It all depends upon the value that is construed on the securities. I know from my own personal observation where Succession Duty Free Bonds have been used in the same family three times within two years, to escape payment of Succession Duties. Personally, I think the Province was carrying out a splendid stroke of business when they got just as many of those bonds off the market as they can.

HON. MR. PRICE: We have the total losses for the Province over the period.

THE WITNESS: It is all very well for Col. Price to enlarge upon what the loss was, but the members of the Committee must bear in mind that the value of Succession Duty Free Bonds has been increased by five times, since the commencement of the statement which was placed before this Committee. The Succession Duty Free Bond is worth five times as much as far as the succession duty is concerned as at the beginning of that.

MR. CURRIE: What do you say the bonds were worth before this discussion started here, when this Committee started?

A.—I would not attempt to give you any definite figures as to their value without looking them up.

MR. CURRIE: You said they are increased. What are they worth now?

A.—They are worth whatever value the holder of the bonds put on them to escape Succession Duties, and that is governed by the size of his estate. The Succession Duties against a large estate—

THE CHAIRMAN: You said the bonds had increased five times in value?

A.—The value of the bonds to the holder of the bonds as far as Succession

Duties are concerned is worth five times as much to relieve his estate as they were at the beginning of the statement.

MR. CURRIE: Why?

A.—Because the Succession Duties have been raised twice in the Province of Ontario since the commencement, the value of the Succession Duty Free bonds to the Province, as far as Succession Duties on an estate are concerned, are worth five times as much as they were where that statement started.

HON. MR. PRICE: Let me point out something to you, Mr. Biggs. If you take an estate of a million dollars: A man has an estate of a million dollars and he has \$200,000 in Succession Duty Free bonds, and he anticipates he is going to drop off pretty soon, and he does not drop off at that time. Say he is 60 years of age, and he decides to buy $3\frac{1}{2}$ per cent. bonds. He can put his money out at 6 per cent. any time, couldn't he?

A.—I would say so, at present.

Q.—He can put it out at six per cent.

A.—By the time you pay the drummers, what did you have left?

Q.—If he buys $3\frac{1}{2}$ per cent. bonds, there is a loss every year of $2\frac{1}{2}$ per cent., so that if he held those bonds for five years he would have a loss of $12\frac{1}{2}$ per cent.?

A.—You are going to guarantee he will live five years, are you?

Q.—If he kept them for five years, he would have a loss of $12\frac{1}{2}$ per cent.?

A.—Yes, sir.

Q.—And if he bought them at 105, there is another \$5 so that there is a loss of \$17.50 if he keeps them for five years?

A.—What would the Succession Duty be on that? Twenty-five per cent. of that estate; and you have made it up to $17\frac{1}{2}$ per cent.

Q.—That $17\frac{1}{2}$ per cent., which is \$175,000 on a million dollars, so that when this \$200,000 goes into the estate on the Succession Duty Free bonds the loss to the Province is 20 per cent. on the \$200,000, which is \$40,000. Now, why is he going to hold bonds for five years and make a loss of \$175,000 to gain for his estate \$40,000?

A.—All I have to say in answer to that is that you have fixed up a very nice case, and even on your own figures he gains $7\frac{1}{2}$ per cent. on the transaction.

MR. BELANGER: This is all a discussion on the value of the bonds, and this Committee is absolutely not concerned with that.

MR. CURRIE: Oh, yes, we want to know what is made on it.

MR. BELANGER: You have only until 2.30, Mr. Chairman, to prepare your report on this.

MR. GRAVES: This Order-in-Council has been considerably criticized—the one in connection with the authorization of the purchase of the bonds. I think there were probably more than one, the one handed in in evidence. You were there, Mr. Biggs, according to the clerk's report. Was there any argument or was there any discussion took place in the Cabinet at the time that the decision was made to purchase these bonds at par? Do you know of any argument or discussion, or was the recommendation given to the Cabinet by the Minister?

A.—There was a great deal of discussion on the question, sir.

Q.—Then you were a party to the discussion?

A.—I was present at the discussion.

Q.—If you were present, you were therefore a party to the authorization of the purchase?

A.—Certainly.

Q.—Therefore you were satisfied that the authorization to buy the bonds at par was and should be satisfactory to the Province?

A.—And I contend yet, sir, that those bonds bought at par are a good stroke of business for the Province of Ontario.

MR. CLARKE: I think Mr. McGarry backed that, too.

THE CHAIRMAN: The Committee is now adjourned until 2.30 this afternoon.

The Public Accounts Committee then adjourned to sit again at 2.30 P.M., April 17th, 1924.

PUBLIC ACCOUNTS COMMITTEE

Toronto, April 17th, 1924.

The Public Accounts Committee re convened at 2.30 P.M.

Mr. Finlayson, chairman.

THE CHAIRMAN: Gentlemen, I have in a great hurry dictated this draft report, and hope the Committee will approve of it. I will read it slowly, so that you can get it all.

Your Committee has had produced before it certain vouchers, accounts, correspondence and particulars in connection with the Public Accounts of the Province of Ontario for the fiscal year ending October 31st, 1923, which it has carefully examined and considered.

Your Committee desires to draw attention of the House to the fact that it had been shown that certain officials in the Public Service of the Province have received certain gifts, donations or loans from Corporations or persons who have benefited by way of commissions or profits on the sale of securities to the Province of Ontario.

MR. CURRIE: I think that is not strong enough. I think we should say so that the Government may act on these matters.

THE CHAIRMAN: We merely report to the House.

HON. MR. PRICE: How would it do to say that your Committee recommends that the Government take action in these cases. "That action be taken by the Government in these cases."

THE CHAIRMAN: I do not think we should dictate to the Government.

MR. CURRIE: How would it be, that the Government consider them and readvise that action be taken?

THE CHAIRMAN: That is a matter of policy, surely.

MR. BELANGER: It is a matter of policy. Let the Government do what they think right.

MR. CURRIE: "And your Committee suggests that the Government take action in this matter." I think that would be enough.

MR. BELANGER: I think the Chairman's words are sufficient.

MR. CURRIE: No, it is not. You know better. What does Mr. Price suggest?

HON. MR. PRICE: "Your Committee recommends that action be taken in these cases."

MR. CURRIE: That will do.

THE CHAIRMAN: Is that satisfactory to the Committee?

(A number of voices said "No.")

MR. BELANGER: It is a question upon which discussion would have to take place, at this late hour, and I do not see why we should do it. I think the word "consider" as you have put it in the report, comprises everything that is necessary.

MR. CURRIE: Do you mean to tell me that you want these fellows to hold office who got that money?

MR. BELANGER: No, sir. I want the Government to have the courage of doing what is necessary.

MR. CURRIE: All we are asking is to recommend that they deal with it.

THE CHAIRMAN: Those in favour of the wording of the report, "And your Committee recommends that these cases be considered by the Government," hold up their hands.

(Upon a count of hands, nine voted in favour; and five in favour of recommending action to the Government.)

THE CHAIRMAN: It stands as in the recommendation.

The next paragraph is:

"Evidence was given before your Committee by Alexander Ross and G. M. Hart, which they afterwards admitted to the Committee was a fabrication, and it is recommended that these facts be submitted to the proper officers of the Crown for appropriate action."

MR. CURRIE: Why say "action" in the one case and "consideration" in the other? What do you mean by "appropriate action"?

THE CHAIRMAN: The man admitted perjury and I think the only thing would be prosecution.

(The paragraph was declared carried.)

THE CHAIRMAN: "Your Committee has considered the evidence and facts in connection with the sale of \$10,000,000 Treasury bills, series "L", to D. K. Ridout, and finds that a profit of approximately \$100,000 was made on this sale under circumstances that lead your Committee to believe a correspondingly heavy loss was made by the Province."

(The paragraph was declared carried.)

THE CHAIRMAN: "Your Committee has investigated the purchase of Succession Duty Free bonds from George R. Harris, using the name of the Provincial Securities Company, and your Committee submits that the whole circumstances were fraudulent and have resulted in a very heavy loss to the Province of Ontario."

Perhaps I should also read the following paragraph, because it carries that out:

"The said George R. Harris also sold securities to the Province through various companies and corporations he was connected with, under similar circumstances, which resulted in the Province paying excessive prices greatly beyond the market price of such securities.

"Messrs. Clarkson & Company have reported to your Committee that the said George R. Harris, through the said Provincial Securities Company and other corporations, made a profit of \$125,229, on these sales."

Is that satisfactory? Carried.

MR. CURRIE: What do you suggest should be done with Harris?

THE CHAIRMAN: I was not instructed to draw anything in that matter. "Your Committee has also investigated the transaction of the Province

with G. M. Hart, and the evidence shows that there were very grave irregularities, involving the loss to the Province of approximately \$25,000 in connection therewith."

MR. CURRIE: This man Hart gave evidence before the Committee on the understanding that the Committee was going to protect him. You ought to say that right there.

THE CHAIRMAN: "The Treasury Department submitted a statement to the effect that the Province had lost on the purchase of inscribed stock and Succession Duty Free bonds in England, through Messrs. Æmilius Jarvis & Company, the sum of \$570,072. Mr. H. G. Pepall, the manager of the company, stated to the Committee that there was no record of these transactions in the Ontario office, and that the business had been carried on entirely in England, and that there was no one in Ontario at present who had any knowledge of the details thereof."

I think that is a fair statement of the facts.

(Paragraphs were carried.)

THE CHAIRMAN: "The Committee has investigated as fully as possible the method of selling Provincial Securities, and has found that very large commissions have been paid to Government officials and others claiming to have influence with the Government to procure such transactions, and your Committee refrains from making any report thereon as the matter is now in the hands of the Crown for prosecution."

(The paragraph was carried.)

THE CHAIRMAN: "Attached hereto is a list of the witnesses who have been examined before the Committee." Then the names of the witnesses will be set out and attached to the report.

(The paragraph was carried.)

THE CHAIRMAN: "Your Committee has held during the Session eighteen meetings, and submits herewith the minutes of the proceedings and the evidence given as taken by the stenographer.

"All of which is respectfully submitted.

"Dated at the Committee room this 18th February, 1924."

MR. KEMP: Do I understand, Mr. Chairman, you are not putting in anything in connection with the loan of 1923?

THE CHAIRMAN: That is one of the matters under consideration. Those matters are covered. If we tried to set out all the things in detail, we are going to have such a mass that we could not hope to do it, and I have tried to condense it into this paragraph which says that the Committee has investigated as fully as possible the method of selling Provincial securities, and has found that very large commissions have been paid to Government officials and others claiming to have influence with the Government, to procure such transactions, and your Committee refrains from making any report thereon, as the matter is now in the hands of the Crown for prosecution.

HON. MR. PRICE: That applies to the Home Bank as well, and Mr. Smith being charged in that case, it applies to both; and the whole matter is in the hands of the Crown for action.

MR. DOHERTY: Does that apply to the Deputy Treasurer too?

THE CHAIRMAN: Yes.

MR. KEMP: That would apply to the Æmilius Jarvis deals as well as to the Home Bank?

THE CHAIRMAN: No, there are different principles. I do not think that has got as far as a criminal matter.

HON. MR. PRICE: What the Chairman refers to is the inscribed stock in the Old Country, that it may be a civil action or it might be more; but there is no doubt that the talking of a commission of one quarter of one per cent. and dividing it up with someone is a criminal matter, and is covered by the last paragraph.

MR. CURRIE: Your report will be quoted in Court, and you deliberately say that the matters are matters for consideration.

THE CHAIRMAN: No, we say that the matters are in the hands of the Crown for prosecution.

. . . Mr. Chairman, I move that this report be adopted.

MR. CURRIE: You are not running the Committee.

MR. BELANGER: It is only a suggestion, but would it be advisable that this Committee should say that Messrs. Mathews and Mason, in the opinion of this Committee, would throw a great deal of light on different questions before the Committee, and we regret that they could not have been brought before the Committee? I think some reference should be made to the fact that we have subpoenaed Mr. Mathews and Mr. Mason.

THE CHAIRMAN: You had a motion put through this morning authorizing the investigation of all their accounts.

MR. BELANGER: Do you not think this Committee should report to the House that Mr. Mathews and Mr. Mason are not available notwithstanding our efforts, as a Committee, to bring them before us? Do you not think we should put in something about that?

THE CHAIRMAN: I have no objection to it going in at all. I do not know that it is necessary.

MR. GRAVES: Wouldn't it be better to make a separate clause of it?

MR. KEMP: Would not all the evidence be put in?

THE CHAIRMAN: Yes.

MR. BELANGER: Should not this Committee say in its report to the House, that it has made endeavours to secure the attendance of these men before the Committee?

HON. MR. PRICE: I will draft something.

MR. SINCLAIR: I thought there was another matter which was to be incorporated in there, in reference to the loan of 1919.

HON. MR. PRICE: That is referred to in the last paragraph.

MR. CARMICHAEL: A matter has been referred to. This putting policemen watching outside is a thing which would not be tolerated by school boys.

THE CHAIRMAN: Perhaps a number of the members of the Committee have felt for some time as strongly as you do about that. Colonel Price suggests this, carrying out Mr. Belanger's suggestion: "The Committee begs to report that Messrs. Mathews and Mason, although subpoenaed, were not produced before the Committee, and your Committee recommends vigorous action against them."

MR. KEMP: That does not interfere with Mr. Belanger's former motion.

THE CHAIRMAN: No, not at all. This is in addition to that.

MR. CURRIE: That is a criminal action.

MR. BELANGER: This is a report of the Committee's activities, and do you not think it would be well to say that we have made efforts to get them before the Committee?

MR. SINCLAIR: That is on record anyway.

THE CHAIRMAN: Is the Committee satisfied with the report as read, with this amendment? Carried.

THE CHAIRMAN: I suppose, now, gentlemen, a motion to adjourn *sine die* is in order. Carried.

The Committee adjourned at 3 P.M., Thursday, April 17th, 1924.

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